

ESTTA Tracking number: **ESTTA198435**

Filing date: **03/14/2008**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91165519
Party	Plaintiff Corporacion Habanos, S.A.
Correspondence Address	David B. Goldstein Rabinowitz, Boudin, Standard, Krinsky & Lieberman 111 Broadway, 11th Floor New York, NY 10006-1901 UNITED STATES dgoldstein@rbskl.com, cobrien@rbskl.com
Submission	Brief on Merits for Plaintiff
Filer's Name	David B. Goldstein
Filer's e-mail	dgoldstein@rbskl.com, lfrank@rbskl.com
Signature	/David B. Goldstein/
Date	03/14/2008
Attachments	Habanos.Opposer.Trial Brief.pdf (63 pages)(784097 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEALS BOARD**

In the matter of Trademark Application
Serial No. 78/363024
Filed February 5, 2004
For the mark HAVANA CLUB
Published in the *Official Gazette* on December 14, 2004

CORPORACION HABANOS, S.A.,)	
)	
Opposer,)	Opposition No. 91165519
)	
v.)	
)	
ANNCAS, INC.,)	
)	
Applicant.)	
)	

OPPOSER CORPORACION HABANOS, S.A.'S TRIAL BRIEF

David B. Goldstein
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
111 Broadway – Eleventh Floor
New York, New York 10006-1901
(212) 254-1111

Attorneys for Opposer Corporacion Habanos, S.A.

March 14, 2008

TABLE OF CONTENTS

TABLE OF AUTHORITIES	iii
DESCRIPTION OF THE RECORD	1
STATEMENT OF THE ISSUES.....	2
INTRODUCTION	2
STATEMENT OF FACTS	4
1. Application Proceedings for Applicant’s HAVANA CLUB Mark	4
2. Opposition Proceedings	6
3. The Meaning of “Havana” in the United States.....	8
a. Havana’s Primary Significance is Geographic	9
b. The Goods/Place Association Between Havana, Cuba and Cigars and the Fame of Havana Cigars.....	9
4. The Meaning of “Cuban Seed Tobacco” for Tobacco Not Grown in Cuba	15
5. Other Marks Using the Word “Havana” for Cigars.....	20
a. The TESS Reports Proffered by Applicant.....	21
b. The PTO’s Misunderstandings and Confusions Regarding “Havana” for Cigars.....	25
RELEVANT STATUTORY AUTHORITY	30
ARGUMENT.....	31
I. APPLICANT’S MARK CANNOT BE REGISTERED BECAUSE IT IS PRIMARILY GEOGRAPHICALLY DECEPTIVELY MISDESCRIPTIVE	31
A. The Primary Significance of the Mark is a Generally Known Geographic Location – Havana, Cuba	31
B. Consumers Are Likely to Believe There is A Goods/Place Association Between Havana and Cigars	33

C.	The Goods/Place Association Will Be Material to the Consumers’ Purchasing Decision	36
D.	Applicant’s Goods Do Not Come From Havana, Cuba.....	38
E.	Applicant’s Reliance on Other Marks.....	42
II.	THE APPLICATION SHOULD BE REFUSED BECAUSE OF APPLICANT’S MATERIAL MISREPRESENTATIONS AND OMISSIONS TO THE PTO	44
	CONCLUSION.....	47

TABLE OF AUTHORITIES

Cases

<i>American Speech-Language Hearing Ass’n v. National Hearing Aid Society</i> , 224 U.S.P.Q. 798 (T.T.A.B. 1984)	5, 32
<i>In re Bacardi & Co., Ltd.</i> , 1997 T.T.A.B. Lexis 169 (T.T.A.B. 1997)	32
<i>In re Bacardi & Co., Ltd.</i> , 48 U.S.P.Q.2d 1031 (T.T.A.B. 1997).....	32, 33, 36, 40
<i>Bart Schwartz Int’l Textiles, Ltd. v. FTC</i> , 289 F.2d 665 (C.C.P.A. 1961).....	45
<i>The Black & Decker Corp. v. Emerson Electrical Co.</i> , 84 U.S.P.Q.2d 1482 (T.T.A.B. 2007)	43
<i>In re Boyd Gaming Corp.</i> , 57 U.S.P.Q.2d 1944 (T.T.A.B. 2000)	32, 36
<i>In re Brouwerij Nacional Balashi NV</i> , 80 U.S.P.Q.2d 1820 (T.T.A.B. 2006)	33
<i>In re California Innovations, Inc.</i> , 329 F.3d 1334 (Fed. Cir. 2003)	passim
<i>In re Colorado Steakhouse</i> , 71 U.S.P.Q.2d 1921 (T.T.A.B. 2004)	33
<i>In re Compania Tabacalera Santiaguense, S.A.</i> , 1999 WL 546830 (T.T.A.B. 1999)	22, 44
<i>In re Consolidated Specialty Restaurants Inc.</i> , 71 U.S.P.Q.2d 1921 (T.T.A.B. 2004)	37
<i>In re Cooper</i> , 254 F.2d 611 (C.C.P.A. 1958).....	43
<i>Corporacion Habanos, S.A. v. Guantanamera Cigars Company</i> , Opp. No. 91152248 (T.T.A.B. Feb. 29, 2008).....	passim
<i>Daesang Corp. v. Rhee Bros., Inc.</i> , 77 U.S.P.Q.2d 1753 (D. Md. 2005)	37, 45, 47
<i>Empresa Cubana del Tabaco v. Culbro Corp.</i> , 213 F. Supp. 2d 247 (S.D.N.Y. 2002)	23
<i>In re First Draft, Inc.</i> , 76 U.S.P.Q.2d 1183 (T.T.A.B. 2005).....	44
<i>Fred Hayman Beverly Hills Inc. v. Jacques Bernier Inc.</i> , 38 U.S.P.Q.2d 1691 (T.T.A.B. 1996)	38
<i>General Car & Truck Leasing Systems Inc. v. General Rent-A-Car Inc.</i> , 17 U.S.P.Q.2d 1398 (S.D. Fla. 1990)	45
<i>Glendale Intern. Corp. v. U.S. Patent & Trademark Office</i> , 374 F. Supp. 2d 479 (E.D. Va. 2005)	30

<i>Hachette Filipacchi Presse v. Elle Belle, LLC</i> , 85 U.S.P.Q.2d 1090 (T.T.A.B. 2007)	45
<i>In re Hiromichi Wada</i> , 194 F.3d 1297 (Fed. Cir. 1999)	31
<i>In re House of Windsor, Inc.</i> , 221 U.S.P.Q. 53 (T.T.A.B. 1983).....	5, 37
<i>Hurley Int’l LLC v. Volta</i> , 82 U.S.P.Q.2d 1339 (T.T.A.B. 2007).....	45
<i>Jack’s Hi-Grade Foods, Inc.</i> , 226 U.S.P.Q. 1028 (T.T.A.B. 1985)	40, 44
<i>In re Les Halles de Paris J.V.</i> , 334 F.3d 1371 (Fed. Cir. 2003)	34
<i>In re Loew’s Theatres, Inc.</i> , 769 F.2d 764 (Fed. Cir. 1985)	34, 35, 39
<i>In re Miracom Corp.</i> , Serial No. 75915846 (T.T.A.B. Feb. 5, 2003).....	43
<i>In re Nantucket, Inc.</i> , 677 F.2d 95 (C.C.P.A. 1982)	39
<i>In re Nett Designs, Inc.</i> , 236 F.3d 1339 (Fed. Cir. 2001)	42, 44
<i>In re Perry Mfg. Co.</i> , 12 U.S.P.Q.2d 1751 (T.T.A.B. 1989)	38
<i>In re Phillips-Van Heusen Corp.</i> , 63 U.S.P.Q.2d 1047 (T.T.A.B. 2002)	30
<i>In re Save Venice New York Inc.</i> , 259 F.3d 1346 (Fed. Cir. 2001).....	34, 40
<i>The Scotch Whiskey Assn. v. Consolidated Distilled Products, Inc.</i> , 210 U.S.P.Q. 639 (N.D. Ill. 1981)	37
<i>Singer Manufacturing Co. v. Birginal-Boigsby Corp.</i> , 319 F.2d 275 (C.C.P.A. 1963)	39
<i>In re Spirits of New Merced, LLC</i> , 85 U.S.P.Q.2d 1614 (T.T.A.B. 2007)	32, 33, 42, 43
<i>Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha</i> , 77 U.S.P.Q.2d 1917 (T.T.A.B. 2006)	46
<i>In re Stenographic Machines, Inc.</i> , 199 U.S.P.Q. 313 (Comm’r Pats. 1978).....	43
<i>Torres v. Cantine Torresella S.r.l.</i> , 808 F.2d 46 (Fed. Cir. 1986)	45
<i>In re Wells Fargo Home Mortgage</i> , Serial No. 76624811 (T.T.A.B. June 27, 2007).....	43

Statutes

15 U.S.C. § 1051	30
15 U.S.C. § 1052	passim

Other Authorities

Siegrun D. Kane, <i>Trademark Law: A Practitioner's Guide</i> (3d ed. 2000).....	45
T.B.M.P. § 311.02.....	34
T.B.M.P. § 314.....	34
T.B.M.P. § 704.03.....	42
T.B.M.P. § 801.03.....	1
T.M.E.P. § 1209.04.....	30
T.M.E.P. § 1210.01	31, 38
T.M.E.P. § 1210.03	27, 38, 39
T.M.E.P. § 1210.04.....	34

Regulations

31 C.F.R. § 515	6, 39
37 C.F.R. § 2.122	1
37 C.F.R. § 2.128	1

OPPOSER CORPORACION HABANOS, S.A.'S TRIAL BRIEF

PLEASE TAKE NOTICE THAT Opposer Corporacion Habanos, S.A. ("Opposer" or "Habanos, S.A."), pursuant to 37 C.F.R. § 2.128, files herewith its Trial Brief, requesting that the Trademark Trial and Appeal Board render judgment sustaining the Opposition and refusing registration of Application Serial No. 78/363024 (HAVANA CLUB). Opposer separately files herewith its Statement of Evidentiary Objections to exhibits and trial testimony proffered by Applicant. *See* T.B.M.P. § 801.03.

DESCRIPTION OF THE RECORD

The record, subject to Opposer's separate Statement of Evidentiary Objections, consists of the following documents: the Application File for Application No. 78/363024 ("App. File"), 37 C.F.R. § 2.122(b); the trial testimony on written questions and Exhibits thereto of Manuel Garcia Morejon, Commercial Vice-President of Habanos, S.A., (cited as "Morejon Tr. __" and "Morejon Ex. __") (Docket No. 44) and of Eumelio Espino Marrero, both taken in Mexico City on May 15, 2007 (cited as "Espino Tr. __" and "Espino Ex. __") (Docket No. 44); the oral trial testimony and Exhibits thereto of Richard B. Perelman, taken in Los Angeles on August 31, 2007 (cited as "Perelman Tr. __" and "Perelman Ex. __") (Docket No. 44); the oral trial testimony and Exhibits thereto of William Bock, Applicant's principal, (cited as "Bock Tr. __", "Bock Ex. __", and "Bock Cross Ex. __") (Docket Nos. 48-49), and of Benjamin Gomez, both taken in Miami on November 14, 2007 (cited as "Gomez Tr. __" and "Gomez Cross Ex. __") (Docket Nos. 48-49) (both subject to Opposer's Statement of Evidentiary Objections); Opposer's Notice of Reliance and Exhibits thereto filed October 1, 2007 (cited as "Opp. NOR __") (Docket No. 40); Applicant's Notice of Reliance, filed without Exhibits, November 30, 2007 (Docket No. 43); Exhibits to Applicant's Notice of Reliance, filed December 11, 2007 (cited as "App. NOR

___”) (Docket No. 45) (subject to Opposer’s Statement of Evidentiary Objections, and previously filed Motion to Strike (Docket No. 54)); Opposer’s Rebuttal Notice of Reliance and Exhibits thereto, filed January 14, 2008 (cited as “Rebuttal NOR ___”) (Docket No. 46); and Opposer’s Supplemental Rebuttal Notice of Reliance and Exhibit thereto, filed January 17, 2008 (cited as “Supp. Rebuttal NOR ___”) (Docket No. 47).

STATEMENT OF THE ISSUES

1. Whether registration of Applicant’s HAVANA CLUB mark for non-Cuban origin cigars should be refused as deceptive, deceptively misdescriptive, and primarily geographically deceptively misdescriptive within the meaning of 15 U.S.C. § 1052(a), (e)(1), (3)?

2. Whether Applicant made a material misrepresentation, so that registration should be refused, when it responded to a PTO Office Action initially refusing registration under section 2(e)(3), by amending its goods from “cigars” to “cigars made from Cuban seed tobacco” for the purpose of overcoming the refusal, without disclosing that the claimed “Cuban seed tobacco” has no association or connection to Cuba, Cuban tobacco or Cuban cigars, other than a possible distant genetic link, and further that Applicant did not know and could not verify whether the goods would actually be made from “Cuban seed tobacco”?

INTRODUCTION

This proceeding arises from Applicant’s selection of a mark calculated to foster among American consumers a false, misleading and deceptive geographic association between Applicant’s non-Cuban cigars and Havana, Cuba, the place most renowned in the world for the production of high-quality cigars. The mark, HAVANA CLUB, expressly refers to the capital city and largest port of Cuba. Havana, Cuba is so closely associated with high quality cigars from Cuba that a cigar made in Cuba from Cuban tobacco is commonly referred to in the United

States as a “Havana” or a “Havana cigar,” including in cigar books, book titles and magazines, and in general media. Dictionaries and encyclopedias define and refer to “Havana” not only as the capital of Cuba, but as a “Cuban cigar.” The goods/place association between Havana, Cuba and cigars is so powerful and so plainly material to a consumer’s purchasing decision that Applicant’s deliberate choice of HAVANA CLUB (out of the near-infinite universe of names) for a cigar product that does not come from Havana or Cuba is inarguably primarily geographically deceptively misdescriptive. Notably, the Board, in *Corporacion Habanos, S.A. v. Guantanamera Cigars Co.*, Opp. No. 91152248 (T.T.A.B. Feb. 29, 2008) (citable as precedent), recently sustained an opposition under section 2(e)(3), finding that Cuba’s renown for cigars would be material to consumers’ decision to purchase cigars under the mark GUANTANAMERA, which refers to Guantanamo, Cuba.

The Examiner initially, and correctly, refused registration of Applicant’s HAVANA CLUB mark for “cigars” under section 2(e)(3) of the Lanham Act, 15 U.S.C. § 1052(e)(3). The Examiner, however, erroneously and without explanation, then approved the mark for publication based solely on Applicant’s unexplained amendment of its identification of goods from “cigars” to “cigars made from Cuban seed tobacco.” Applicant has admitted, however, that neither its cigars, its tobacco, nor its tobacco seeds come from or originate in Havana or Cuba. Rather, all the evidence shows, including Applicant’s principal’s own testimony, that “Cuban seed tobacco” is a term used in the United States to refer to tobacco grown outside Cuba and claimed to be grown from seeds that are multi-generation descendants of seeds taken from Cuba at least 45 years ago. All the evidence, including Applicant’s own admissions shows that there is no connection between “Cuban seed tobacco” and Havana, or Cuba, or Cuban tobacco or cigars, other than the claim of distant descent.

Applicant's evidence consists almost exclusively of TESS reports of applications and registrations in IC 34 that contain the word "Havana" or "Habana" as part of the mark. Even assuming the admissibility of some or all of these documents, they not only fail to support Applicant's claim to a registration, but the files for these marks show that the PTO Examiners regularly have been deceived and confused by marks using "Havana" and claiming "Cuban seed tobacco" for non-Cuban cigars into believing that such cigars or their ingredients come from or originate in Cuba, when that is simply false.

Even if an actual distant genetic descent could overcome a section 2(e)(3) refusal, contrary to all precedent, Applicant admits that it does not even know "whether [it] is true or not," Bock Tr. 74:1-3, that the tobacco is in fact descended from seeds taken from Cuba decades ago, has submitted no evidence supporting that claim, and all evidence of record shows that a claim of "Cuban seed tobacco" cannot be verified by U.S. distributors, retailers or consumers.

Thus, the narrow, but important, issue for the Board is whether HAVANA CLUB, which cannot be registered for non-Cuban origin "cigars," somehow becomes eligible for registration if the Applicant adds to its identification of goods the words "made from Cuban seed tobacco." Because the evidence shows that nothing about "Cuban seed tobacco" can cure the fact that HAVANA CLUB is not eligible for registration, the Opposition should be sustained and the mark should be refused registration.¹

STATEMENT OF FACTS

The evidence establishes the following facts:

1. Application Proceedings for Applicant's HAVANA CLUB Mark

¹ Although cigar distributors may use "Cuban seed tobacco" claims to deceive U.S. consumers into believing the tobacco has Cuban origins, nothing in this case challenges the use of such claims in the U.S. market, or even as a description of goods in the PTO. Opposer's point is simply that a cigar mark that is unregistrable under section 2(e)(3) because of its use of the term "Havana," cannot be registered by claiming that its cigars are "made from Cuban seed tobacco."

On February 5, 2004, Applicant filed an intent-to-use application, Serial No. 78/363024, to register the standard character mark HAVANA CLUB in International Class 34 for “cigars.”

See App. File. On September 1, 2004, the PTO issued an Office Action, stating:

Registration is refused because the proposed mark consists of or comprises *geographically deceptively misdescriptive matter* in relation to the identified goods. Trademark Act Section 2(e)(3), 15 U.S.C. §1052(e)(3) [citations omitted].

The primary significance of the term “Havana” is geographic. The public is likely to believe that applicant’s goods come from this place because Havana, Cuba, is a place where cigars are produced. Furthermore, this belief would materially influence consumers to purchase the goods because Havana, Cuba, a location where cigars are produced, is renown for the production of cigars and purchasers would base the purchase of those goods upon the misconception that applicant’s goods originate from Havana, Cuba. *See In re House of Windsor, Inc.*, 221 USPQ 53 (TTAB 1983), *recon. denied*, 223 USPQ 191 (TTAB 1984).

Although applicant’s proposed mark contains the term “Club”, under Trademark Act Section 2(e)(3) the geographically deceptively misdescriptive matter need not be the entire mark, or even the dominant portion of the mark. It is sufficient if some portion of the proposed mark is geographically deceptively misdescriptive with respect to the goods and/or services in question. *See e.g., American Speech-Language Hearing Ass’n v. National Hearing Aid Society*, 224 USPQ 798, 808 (TTAB 1984).

Id.; *see also* Opp. NOR 1 (Exhibit 13 to Bock Dep.)

On September 16, 2004, the PTO issued an Examiner’s Amendment based on an oral communication on September 15, 2004 between the Examiner and Applicant’s attorney, Jesus Sanchelima, in which the identification of goods was amended from “cigars” to “cigars made from Cuban seed tobacco.” App. File. The PTO file contains no other information concerning that September 15 oral communication, no information concerning the term “Cuban seed tobacco,” and no other response to the Office Action, other than a disclaimer of “Havana.” *Id.* (Examiner’s Amendment). Applicant did not challenge the initial section 2(e)(3) refusal for “cigars,” or otherwise argue the PTO refusal was incorrect. There is no evidence that Applicant provided to, or discussed with, the Examiner any other information, including concerning

“Cuban seed tobacco.” Nothing in the file explains or even addresses why the Examiner believed that adding “made from Cuban seed tobacco” overcame the refusal to register.

Remarkably, Mr. Bock testified that he knew nothing about this change to the identification of goods. He did not “have any knowledge of anything [his] attorneys told the PTO in response to this office action refusal,” no “knowledge of any communications between [his] counsel and the PTO following this office action refusal,” no recollection that “the goods [were] amended from cigars to cigars made from Cuban seed tobacco,” and no recollection of “participating in any conversation or communication concerning changing the goods from cigars to cigars made from Cuban seed tobacco.” Bock Dep. 75:10-76:10.

The PTO issued a Notice of Publication on November 24, 2004, and the mark was published for opposition on December 14, 2004. App. File.

Applicant has never used the mark HAVANA CLUB in commerce. Although most of Applicant’s other cigar brands use tobacco that it claims are made from “Cuban seed tobacco,” none of these brands use the word “HAVANA.” Bock Tr. 91:9-13.

2. Opposition Proceedings

Opposer, Habanos, S.A., exports genuine Cuban cigars throughout the world, except to the United States, where exports are currently prohibited by the Cuban Assets Control Regulations, 31 C.F.R. Part 515 (“CACR”). See Morejon Tr. 8:17-25, 9:1-10:15. Opposer filed timely requests for extensions of time to file an Opposition, which were granted. On June 10, 2005, upon receipt of a specific license from the Treasury Department’s Office of Foreign Assets Control, Opp. NOR 18, Opposer filed a timely Notice of Opposition. The Opposition asserted that the mark HAVANA CLUB is deceptive, deceptively misdescriptive, and primarily geographically deceptively misdescriptive under sections 2(a), (e)(1), (e)(3) of the Act, 15 U.S.C.

§ 1052(a), (e)(1), (e)(3). The Opposition also claimed that Applicant made a material misrepresentation to the PTO when it amended its goods from “cigars” to “cigars made from Cuban seed tobacco,” for the purpose of overcoming the initial section 2(e)(3) refusal to register.

On August 3, 2005, Applicant filed its Answer and Counterclaim. In its Counterclaim, Applicant sought to cancel Opposer’s registered mark, HABANOS UNICOS DESDE 1492 & DESIGN, Registration No. 2,177,837 (“HABANOS UNICOS”), which translates as “unique Havana cigars since 1492.” Opp NOR 17 (Registration certificate). Opposer filed its Reply to the Counterclaim on October 31, 2005.

After Mr. Bock’s deposition, Applicant dismissed with prejudice its Third Affirmative Defense (“Lack of Place/Goods Association”).² See Stipulation to Withdraw Motions and to Dismiss Applicant’s Third Affirmative Defense, ¶ 6, May 10, 2006 (Docket No. 13).

Both parties conducted discovery by Interrogatory and document requests, and Opposer took the discovery deposition of Applicant’s principal, William Bock. During discovery, Opposer identified Richard B. Perelman and Eumelio Espino Marrero as potential expert witnesses, and served and filed sworn expert reports from them in connection with Opposer’s motion for summary judgment. See Perelman Ex. 2; Espino Ex. 1.

On August 4, 2006, both parties cross-moved for summary judgment on all claims and counterclaims. On November 29, 2006, the Board denied summary judgment to Applicant on its

² The dismissed Affirmative Defense had alleged:

LACK OF PLACE/GOODS ASSOCIATION:

Applicant contends that the [HAVANA CLUB] Mark is not geographically deceptively misdescriptive under Section 2(e)(3) because there are no cigar manufacturers within the city of Havana, Cuba, nor are there any cigar manufacturers of significance within the province of Havana, Cuba, and the city of Havana does not have a reputation as a source of cigars. Cigars are produced in other provinces of Cuba (e.g. Pinar del Rio.).

These allegations were so patently false that Mr. Bock suggested in his deposition that they were a “typographical error.” Opp. NOR 1 (Bock Dep. 135:8-14; *id.* at 132:4-35:14).

counterclaim to cancel Opposer's registered mark, HABANOS UNICOS DESDE 1492 & DESIGN, Registration No. 2,177,837, and granted summary judgment to Opposer on the counterclaim. Opinion, at 8-14 (Docket No. 31). The Board held that Opposer's nonuse of the mark in the United States is excused by the CACR. *Id.* at 9-11. The Board also found that Opposer had "established that it uses the mark worldwide and it intends to use the mark in the United States as soon as it is legally possible to do so," and that "to keep opposer's mark in front of American consumers, opposer uses its mark in advertising in U.S. publications." *Id.* at 13. The Board otherwise denied Applicant's motion for summary judgment on Opposer's claims, finding genuine issues of material facts, and denied Opposer's motion on its claims without addressing the merits, finding Opposer's brief procedurally improper as in excess of page limitations without requesting prior approval. *Id.* at 5, 7.

Opposer took the trial testimony of two Cuban citizens upon written questions in Mexico City – Manuel Morejon Garcia, Commercial Vice-President of Habanos, S.A., and Eumelio Espino Marrero, an expert in tobacco research and genetics at the Cuban Institute of Tobacco Research. Opposer also took the expert testimony of Richard B. Perelman, an author and expert on the U.S. cigar industry, on August 31, 2007.

Applicant took the trial testimony of Mr. Bock and Benjamin Gomez, on November 14, 2007, who was never identified in this proceeding until a week before his testimony, although Gomez, and the information to which he testified, was known to Mr. Bock and to Applicant's attorney, Mr. Sanchelima, for many years. Bock Tr. 86:7-87:25; Gomez Tr. 12:23-14:2, 14:22-15:25.³ Both parties also have proffered documents through Notices of Reliances.

3. *The Meaning of "Havana" in the United States*

³ Because Mr. Gomez's testimony, to the extent relevant, is highly favorable to Opposer, Opposer has not moved to strike this egregiously untimely designated testimony.

a. Havana's Primary Significance is Geographic

Havana is well known in the United States primarily as the capital of, and the largest city and main port in Cuba. The Examiner acknowledged in the Office Action, "The primary significance of the term "Havana" is geographic." App. File. Applicant admitted this fact in its Application, stating, "Havana is the capital and largest city of Cuba," *id*; and in Bock's trial testimony, Bock Tr. 17:15-18 (Havana "means Havana, the capital of Cuba"). *See also* Opp. NOR 2 (*The Columbia Gazetteer of North America* (2000) (describing Havana as, "The largest city and chief port of the West Indies, and the political, economic, and cultural center of Cuba.")); Opp. NOR 3 (*The Encyclopedia Britannica Online* entries for "Havana" and "Cuba"); Opp. NOR 4 (ten (10) English language dictionary entries for "Havana" from 1913-2007); Opp. NOR 11 (including excerpts of encyclopedia and geographic dictionary entries for Cuba and Havana, and article reprints downloaded by the PTO from the Internet).⁴

Applicant has not proffered any evidence contradicting its own sworn statement in its Application, or Opposer's evidence, that the primary significance of "Havana" is a well-known geographic location, referring to Havana, Cuba.

b. The Goods/Place Association Between Havana, Cuba and Cigars and the Fame of Havana Cigars

Havana, Cuba has long been famous in the United States, and throughout the world, for its manufacture and export of high-quality cigars made from Cuban tobacco. The Examiner here acknowledged that "Havana, Cuba, is a place where cigars are produced [and] is renown for the production of cigars." App. File (Sept. 1 Office Action). The association between the city of

⁴ Opp. NOR 11 consists of two PTO Office Actions in 2001, including attachments, issuing final refusals to register the mark HAVANA CLUB, Serial No. 75/751393, in International Class 25, for clothing, on the ground HAVANA CLUB is primarily geographically deceptively misdescriptive. The attachments are excerpts of encyclopedia and geographic dictionary entries for Cuba and Havana, and reprints of articles downloaded by the PTO from the Internet.

Havana and Cuban origin cigars is so powerful and so extraordinary that a Cuban origin cigar is commonly known in the United States and throughout the English-speaking world as a “Havana” or “Havana cigar.” Opposer has submitted extensive evidence from dozens of English-language sources, overwhelmingly from the United States, in dictionaries, encyclopedias, cigar books and magazines, general circulation newspapers, and other general media establishing that, as widely used and understood in the United States and among United States cigar consumers, the term “Havana,” when used in the United States in connection with cigars, has the meaning of, in addition to the capital and largest city of Cuba, a cigar made in Cuba (or tobacco grown in Cuba). *See* Opp. NOR 2-11, summarized below.

In stunning contrast, Applicant has failed to submit one single dictionary or encyclopedia entry, cigar book or article reference, or general media reference in which the term “Havana,” or “Havana cigar” was used to refer to a non-Cuban cigar. Indeed, Applicant admitted that it has no evidence that the terms “Havana cigar” or “Havanas” in publications refer to anything other than a cigar from Cuba. Opp. NOR 1 (Bock Dep. 122:19-123-17, 125:2-12: conceding that he had never seen “Havana cigars” refer to anything but a cigar from Cuba; and that “Havana is used in cigar book titles to refer solely to Cuban cigars”). Bock himself, who has been in the U.S. cigar business for several decades, Bock Tr. 5:7-13, used the term “Havana cigar” in his testimony to refer to cigars from Cuba.⁵

This ubiquitous, consistent association between “Havana” and Cuban cigars for U.S. cigar consumers is exemplified by Applicant’s own press release, dated January 4, 2006, which

⁵ After testifying that he was “not sure that” “Havana was synonymous with Havana cigars,” Bock conceded that he has no “information other than [his] own assumptions,” and that the basis for his assumption was, “Maybe its just because – I don’t know. The – that the Havana cigar isn’t what it used to be. Maybe that’s – maybe that’s where I’m biased on it. I don’t know.” He then admitted that “when you say ‘the Havana cigar is not what it used to be,’ you mean the cigars from Cuba are not what they use to be?” “That’s correct.” Bock Dep. 127:9-128:10.

appeared on a cigar website, and which contained this “Cigar Fact” adjacent to Applicant’s press release: “On Cuban cigars, the terms ‘Made in Cuba’ and ‘Made in Havana’ are considered interchangeable because virtually all Cuban cigars for export are made in factories in or around Havana. For more than a century, *a Cuban cigar and a Havana cigar have been synonymous.*” Opp. NOR 1 (Bock Dep. 145:10-147:13; Bock Dep. Ex. 17) (emphasis added).

Bock testified that he chose the mark specifically to create an association with Cuba: “to capture both the high quality I intended for this line of cigars and *the essence of Cuban entertainment and social life.*” Bock Tr. 94:17-96:14 (emphasis added). Likewise, after filing its application, Applicant prepared a design for the mark that prominently features the Morro Castle, “a famous symbol of the city” of Havana, Opp. NOR 11 (*The New Encyclopaedia Britannica*, at 544 (1988), excerpt for “Havana,” showing image of Morro Castle), and which Bock knew is “in Havana Harbor.” Bock Tr. 84:2-86:2; Bock Cross Ex. 1.

Leading encyclopedias, in addition to noting that Havana is renowned for the production of cigars, regularly use the term “Havana” to refer to a Cuban cigar. The 2000 *Columbia Gazetteer* entry for “Havana” states: “Local industries include ... factories making the famous *Havana* cigars.” Opp. NOR 2 (emphasis added). The *Gazetteer*, in its authoritative overview of Cuba, identifies cigars as one of five “important” exports, and that the island’s agricultural sector includes “high-quality tobacco” as one of a small number of principal crops. *Id.* The *Encyclopedia Britannica Online* article on Havana identifies “tobacco production, particularly the *world-famous Havana cigars,*” as one of Havana’s important industries. Opp. NOR 3 (emphasis added). *The New Encyclopaedia Britannica* (1988) excerpt for “Havana” states, “The quality products of the tobacco industry, *notably Havana cigars, have brought Cuba world fame.*” Opp. NOR 11. Other encyclopedias and geographic dictionaries show that Havana is

famous for production of cigars, and that tobacco for cigars is one of Cuba's most important agricultural products. *Id.* Cuba's renown for cigars is exemplified by an article, "Cuba at the Crossroads," in the cigar consumer magazine *Smoke* (2003), Opp NOR 8, produced by Applicant (0188; 0196 (referring to "Havana cigars")), and describing them in the most laudatory terms:

All the while, the nation has been defined by one symbol – even more consistent and long-lived than Castro's bearded visage – and that is the Cuban cigar. Cuba is to tobacco what France is to wine, Switzerland is to watch-making, and Scotland is to malt whisky – the standard by which all others are measured

Numerous English language dictionary entries likewise define "Havana" as both the capital of Cuba and as a cigar made in Cuba and/or from tobacco grown in Cuba. *See* Opp. NOR 4 (consisting of ten (10) English language dictionary entries for "Havana" from 1913-2007). For example, *Random House Webster's Dictionary* (4th ed. 2001), defines "Havana" as "1. the capital of Cuba."; "2. a cigar made in Cuba." *The American Heritage Dictionary of the English Language* (4th ed. 2000), defines "Havana" as "The capital and largest city of Cuba A cigar made in Cuba, especially one of fine quality." *Webster's New Collegiate Dictionary* (1977) identifies "Havana" as from the Spanish "Habana," referring to "(Havana), Cuba", and defines "Havana" as "1: a cigar made from Cuban tobacco 2.: tobacco raised in Cuba."

Numerous consumer-oriented books on cigars published or distributed in the United States define "Havana" as a Cuban cigar, and the term is commonly used in such publications to denote a 100% Cuban origin cigar. Opp. NOR 5 (excerpts from nine (9) consumer-oriented English-language cigar books published in the United States). Examples include: *The Good Cigar: A Celebration of the Art of Cigar Smoking*, at 196 (1996) (defining "Havana (Habana) [as] 'A Cuban cigar'"); *id.* at 44 (stating that Havana is "[s]o powerfully associated with the best tobacco in the world" that it is "synonymous worldwide with a fine cigar"); *A Passion for Cigars*, at 23-24 (1996) (Cuban cigars "[n]icknamed 'Havanas' at least by the 1920's"; "Calvin

Coolidge was so possessive of his Havanas”; German Blitz of London in 1941 destroyed a tobacco shop where a portion of Winston Churchill’s “treasured cache of Havanas” were stored); *The Cigar Companion*, at 32, 38 (1993) (chart showing “the manufacturing process of Havana cigars”); *The Gourmet Guide to Cigars*, at 12, 144-48 (1990) (referring to Cuban cigars as “Havanas,” with side-by-side lists of “Havanas” and “Non-Havanas”); *The Complete Idiot’s Guide to Cigars*, at 84 (1997) (“Havana cigars feature only Cuban tobacco”).

The use of “Havana” to refer to cigars from Cuba frequently appears in the titles of cigar books themselves, as well as in their text. *See* Opp. NOR 6 (six consumer-oriented cigar books with “Havana” in the title; *see, e.g.*, R. Perelman, *Perelman’s Pocket Cyclopedia of Havana Cigars* (2005 ed.) (generally referring to “Havana cigars” as cigars manufactured in Cuba from Cuban-grown tobacco). Mr. Perelman titled his book *Pocket Cyclopedia of Havana Cigars* “[b]ecause it deals solely with Cuban cigars Cuban cigars are generally referred to as Havanas, which is a historical reference to the cigar capital of the world, if you will, Havana, Cuba, which is where most of the major factories ... which produce cigars in Cuba were located in the past and are located now.” Perelman Tr. 18:23-19:10. *See also* Espino Tr. 28:23-30:13 (“the term ‘Havanas’ in connection with cigars “For English speaking people, that’s the same word as Habano,” “a cigar made in Cuba with 100 percent Cuban tobacco”; “‘Havana cigars’ [is] a synonym of Habanos”); Morejon Tr. 19:9-24:9 (explaining that “Havana” and “Havanas” are mainly used by English speakers to refer to cigars from Cuba, and has the same meaning and reference to cigars from Cuba as “Habano” and “Habanos”).

The term “Havana” has also been regularly and consistently used for many years to refer to Cuban-origin cigars in news and feature stories appearing in magazines, newspapers, and other publications, directed both to the cigar-consuming public, to the cigar trade, and to the

general public in the United States. Opp. NOR 7-9 (sampling of over two dozen articles from the cigar consumer magazines *Cigar Aficionado* and *Smoke* and from the trade magazine *Smokeshop* using “Havana” or “Havanas” to refer to a Cuban cigar); Opp. NOR 10 (printouts of news articles published in United States general circulation newspapers after 2003, and retrieved from the Westlaw database Major Newspapers, referring to “Havana(s)” or “Havana cigar(s)” as cigars from Cuba, including *The New York Times*, *Los Angeles Times*, *Philadelphia Inquirer*, *Baltimore Sun*, and *Chicago Tribune*).

Havana, Cuba has also long been famous for its cigar factories. See Opp. NOR 6 (*Perelman’s Pocket Cyclopedia of Havana Cigars*, at 29-31, 33-34 (“The history and romance of Havana cigars are very much tied up in the factories which produce them”; photo of “The one and only: the famed elegant landmark Partagas factory”; describing the Havana cigar factories); Opp. NOR 5: *The Cigar Connoisseur* (HAB0542) (“the famous Cohiba factory El Laguito, an estate in Havana near Miramar”); *The Cigar Companion*, at 31-33 (photo of “The Legendary Partagas Factory, Havana”; and chapter on “The Havana Cigar Factory”). U.S. cigar magazines often report on these famous Cuban cigar factories, evidencing that U.S. cigar consumers are both aware of and interested in this information. Opp. NOR 7 (*Cigar Aficionado*, “The Rolling Rooms” (Fall 1994), reporting on “six key export-cigar factories in Havana,” which are “to cigars what Moet & Chandon, Roederer and Mumm are to Champagne”).

Habanos, S.A. and its distributors have regularly described and promoted their Cuban-origin cigars in *Cigar Aficionado* and *Smoke* magazines as “Havanas,” and regularly promote in the United States, in English and Spanish, Opposer’s registered mark, HABANOS UNICOS DESDE 1492 (“unique Havana cigars since 1492”). Opp. NOR 19; Morejon Tr. 41:18-52:25; Morejon Ex. 5-9; Opp. NOR 17.

4. The Meaning of “Cuban Seed Tobacco” for Tobacco Not Grown in Cuba

Applicant has acknowledged that by “Cuban seed tobacco” it does not mean tobacco grown in Cuba or tobacco grown from seeds which themselves come from Cuba. Rather, Applicant admits that the term refers to tobacco grown outside Cuba from seeds that do not come from Cuba, but are claimed to be “descended from seeds that were taken from Cuba in the late 1950’s and early 1960’s.” Opp. NOR 14 (Applicant’s Response to Int. No. 16(f)). *See id.* Resp. to Int. No. 21 (“Applicant, by using the term ‘Cuban seed tobacco,’ means that the tobacco to be used in Applicant’s product is grown from seed descended from seeds that previously came from tobacco plants grown in Cuba,” as “Identified in Applicant’s answer to Interrogatory No. 16(f)”; *id.* (Resp. to Int. Nos. 19, 23, 26); Bock Dep. at 19:18-21:15 (confirming accuracy of Interrogatory Responses, sworn to by Mr. Bock, also submitted as Bock Dep. Ex. 5); *id.* 85:14-24; 87:4-7. Applicant’s other witness, Benjamin Gonzalez, has the same understanding. Gomez Tr. 23:14-24:10 (seeds came from Cuba “back in the day,” referring to “after the ’61, ’62, after the revolution” in Cuba).

Opposer’s expert on the U.S. cigar industry, Richard Perelman⁶ testified consistently with Mr. Bock regarding the meaning of “Cuban seed tobacco” in the U.S. cigar business:

It is generally understood to the point of not ever being questioned that when there is a reference to Piloto Cubano or to Cuban seed, we’re talking about some distant relationship with Cuba at a time prior to the United States trade embargo [in] 1962. And so we’re talking about some relationship to tobacco seeds that could have come from Cuba in the 1940’s or 1950’s or maybe 1960 or ’61. But not any time after that.

Perelman Tr. 36:21-37:8. Such seeds used for tobacco grown today are “[d]ozens and dozens and dozens of generations” descended “from the seeds that were claimed to have come from Cuba.” *Id.* 37:10-14; *id.* 39:2-17 (manufacturers use “Piloto Cubano” and “Cuban seed”

⁶ Mr. Perelman’s expert qualifications are established in his trial testimony and his expert report. Perelman Tr. 8-25; Perelman Ex. 2, ¶¶ 1-6 (Expert Report, including *curriculum vitae*).

interchangeably); Perelman Ex. 2, ¶ 9.

Applicant also admitted that the *only* claimed connection or relationship between Applicant's HAVANA CLUB cigars and Havana or Cuba, or Cuban cigars is that they "will have the connection of being produced from tobacco grown from seeds derived from tobacco plants grown in Cuba," again referring to the seeds claimed to have been taken from Cuba over 45 years ago; Applicant expressly disclaimed any other connection or relationship with Cuba or Havana. Opp. NOR 14 (App. Resp. to Int. No. 19 (First Set)); *see* Bock Dep. 89:15-91:3, 92:11-24. Mr. Perelman's testimony is in accord. Perelman Tr. 56:3-8:

In my opinion and to my knowledge there is no relationship between Cuban seed tobaccos and the city of Havana, Cuba, the Cuban cigar industry or Cuban tobacco except potential and unprovable relationship that goes back many, many, many generations and dozens of years. As a matter of fact, it would be more than 40 years.

See id. 52:16-24, 41:5-8; Perelman Ex. 2 (Expert Report, ¶¶ 12-15, and Exhibit 2).

Applicant admittedly has no knowledge where in Cuba the ancestral seeds supposedly came from, what the seed varieties are, what seed selection processes have been used in the dozens of generations since the seeds were supposedly taken from Cuba, or what steps have been taken in the fields in Nicaragua or elsewhere to prevent mixing with native and other tobacco strains. Bock Tr. 101:22-102:15; Bock Dep. 98:25-99:14. Applicant admits it has no information that "Cuban seed tobacco" shares any qualities or characteristics, such as taste, flavor or aroma, with Cuban-origin cigars, and Applicant has produced no such evidence; and further admits that the characteristics and qualities it seeks in its proposed HAVANA CLUB cigars are not limited to "Cuban seed tobacco," and the taste of "Cuban seed tobacco" "varies," based on "where it's grown, what tobacco" is used. Bock Dep. at 96:12-98:24; *see* Perelman Ex. 2, ¶ 19 (noting that mere use of term "Cuban seed," "with no further information about the variety or strain," "serve[s] solely to suggest a highly questionable or possibly false association

with Cuba, or Cuban tobacco or cigars of the distant past. It certainly has no relation at all to Cuban cigars of today.”).

The expert testimony of Espino, one of Cuba’s leading tobacco geneticists, provides the scientific basis for Applicant’s admissions of a lack of any relevant connection between Applicant’s claimed “Cuban seed tobacco” and Cuba, Havana, or Cuban cigars or tobacco.⁷ Espino explains why tobacco grown outside Cuba over many generations will not and cannot share the organoleptic qualities (“the aroma, the flavor, the strength ... all the characteristics that can be appreciated by the senses,” Espino Tr. 11:1-11) of cigars grown in Cuba. *Id.* 32:10-32:21; *see generally id.* 30:15-40:1, 51:19-52:7; Espino Ex. 1 (Expert Report ¶¶ 5-13).

According to Espino, the characteristics of a cigar are based on four factors: 1) the kind (genetic type and purity) of the tobacco, 2) the soil, 3) the climate and 4) the agricultural and manufacturing processes; “these factors are so important that when one of these factors is missing, then you don’t get the quality that distinguishes the Habano in the world.” Espino Tr. 34:9-35:1; Espino Ex. 1, ¶ 7. Espino also explained that the Cuban black tobacco “is very susceptible, very sensitive to the action, to the interaction, general type environment when it has been grown in a different environment, and we have to understand as environment, soil, climate and the man that cultivates it also, then it no longer has the same characteristic.” *Id.* 36:3-21. Thus, as a result of “the interactions of the four factors,” tobacco grown elsewhere cannot “replicate the characteristics of tobacco grown in the Vuelta Abajo area of Cuba” (Cuba’s premier tobacco growing region), *id.* 35:3-20; “the differences in soil and climate conditions between Cuba and Nicaragua or elsewhere cause[s] these differences in the quality and characteristics of the tobacco to increase generation by generation.” *Id.* 36:23-37:3.

⁷ Espino’s expert qualifications are established in his testimony and Expert Report. Espino Tr. 7:20-21:14, 23:22-28:22; Espino Ex. 1, ¶¶ 3-4 and *curriculum vitae*.

Espino also explained the critical role that seed selection plays generation after generation in determining the characteristics of the tobacco, and that this process necessarily must differ in different environments, “because in another environment in another location, the plant is not going to express with loyalty the characteristics that it does express in the area or in the zone that we cultivated in Cuba.” *Id.* 38:18-21; *see id.* 37:8-38:21. Espino personally observed that tobacco grown in Nicaragua in the 1980’s, twenty-five generations ago, from seeds taken from Cuba in the 1960’s “no longer was the original Cuban tobacco.” *Id.* 39:1-13. Espino explained that his position is not that these non-Cuban cigars are bad cigars, “I simply state that they are different to the Habanos.” *Id.* 39:15-21. Thus, “from the point of view of an agronomist or geneticist, there is no meaningful or relevant connection between Cuban tobacco cultivated in Cuba and tobacco produced from a seed that was originally Cuba but which has been cultivated outside of Cuba, much less after 45 generations following the departure of that seed from Cuba.” Espino Ex. 1, ¶ 13.

Mr. Perelman explained that claims of “Cuban seed tobacco” are a marketing tool in the United States that may be used to “try[] to imply some sort of relationship or nexus to Cuba or the Cuban cigar industry, but there really is none.... that history and romance [of Cuban cigars], if you will, is what is being attached by manufacturers and distributors who use terms like ‘Cuban seed.’” Perelman Tr. 56:16-57:10; *id.* 52:4-11; Perelman Ex. 2 (Expert Report, ¶¶ 19, 22-23: “use of the term ‘Cuban seed,’ therefore, is generally used in the U.S. industry to suggest a highly questionable link to an imagined taste or quality (Cuban) in the minds of sellers (tobacconists) and buyers (smokers) of cigars”; “when not referring to ... [a] particular strain, ‘Cuban seed’ ... only has the purpose of making a highly questionable reference to Cuba”).

Mr. Perelman also testified that “Cuban seed” was “a widely understood joke within the

cigar industry” because the term is essentially meaningless and has nothing to do with Cuba, other than that maybe the seed “came from Cuba many, many, many, many generations ago.” Perelman Tr. 47:10-25; Perelman Ex 2, ¶ 15 (citing testimony of a prominent cigar retailer in an unrelated case: “Cuban seed is a joke of the industry....When you say it’s a joke, you mean it’s meaningless as to the quality of the cigar? Right”); *id.* 59:21-61:12; Perelman Ex. 3 (article in *Smoke* magazine: “advertisements for these Boom brands sure made a lot of lofty claims; every last one was made from, quote, ‘choice Cuban seed,’ unquote. Yeah, so was Ricky Ricardo.”). Although some in the U.S. cigar industry use “Cuban seed tobacco” to try to convey to consumers a strength of flavor, in fact it depends on the blend, ranging from mild to a stronger flavor. Perelman Tr. 48:2-50:4. A claim of “Cuban seed tobacco” by itself “doesn’t mean anything” and does not create a particular expectation for such a cigar. *Id.* 71:15-72:7.

Applicant sometimes does, and sometimes does not, label its cigars claimed to be made from “Cuban seed tobacco” with that information; there is no obligation to so advise consumers. Bock Tr. 97:18-98:15; *compare* Bock Ex. 3 and 4; Gomez Tr. 25:1-6; Gomez Ex. 2 (HAVANA SUNRISE cigars do not include “Cuban seed tobacco” on packaging or promotion). Applicant’s HAVANA CLUB label did not include “Cuban seed tobacco” until after Applicant amended its application. *Compare* Bock Ex. 1 with Bock Cross Ex. 1; Bock Tr. 83:13-86:3.

The foregoing establishes that cigars made from “Cuban seed tobacco” do not come from Cuba, and hence a mark not registrable for “cigars” under section 2(e)(3) is not registrable for “cigars made from Cuban seed tobacco.” Although, therefore, not necessary to a finding of non-registrability, the record also establishes that a claim of “Cuban seed tobacco” is itself unverifiable. This evidence not only provides additional grounds to deny registration under section 2(e)(3), but illustrates how use of the term “Cuban seed tobacco” at the PTO opens the

door to false and misleading associations with Cuba, and invites fraud on the PTO.

Applicant has submitted *no* evidence that its HAVANA CLUB cigars will actually be made from tobacco grown from seeds that are actually descended from seeds taken from Cuba. Applicant admitted that it has no knowledge whether the intended tobacco in fact comes from seeds that are distant descendants of seeds that came from Cuba, or seeds that in fact have no Cuban ancestry, and further admitted that its claim is based solely on what Applicant claims a tobacco grower in Nicaragua told Mr. Bock. Bock Dep. 83:20-85:24; Bock Tr. 72:25-74:3. Bock's testimony on what the grower told him is inadmissible hearsay if offered for the truth of where the tobacco seeds' ancestors came from. *See* Opposer's Statement of Evidentiary Objections, ¶ 12.b. Bock further admitted he does not know whether the claim that the seeds are distant descendants from seeds from Cuba "is true or not." *Id.* 73:12-74:3; *id.* 98:20-22 ("I don't know where my manufacturers get the seed. I have to rely on their word."). Bock has never "done anything to verify the accuracy of any statements by any of [his] manufacturers that the cigars are made from seeds descended from seeds from Cuba." *Id.* 98:23-99:2. Revealingly, Applicant chose not to take the testimony of the Nicaraguan grower who made the "Cuban seed tobacco" claims, although Bock has a decades long relationship with that grower. *Id.* 70:3-71:6.

Applicant has submitted no evidence that any entity authenticates "Cuban seed tobacco" claims (because none exists). Opposer's experts are unaware of any way to verify a "Cuban seed tobacco" claim and confirmed it would be impossible for a distributor, consumer, or even a cigar expert to determine from a cigar whether it was made from claimed "Cuban seed tobacco," other than to accept the word of the grower. Perelman Tr. 17:4-24; 37:19-38:23 ("I would say it's impossible"); 79:6-12; Espino Tr. 17:04-17:10, 45:15-22.

5. *Other Marks Using the Word "Havana" for Cigars*

Almost all of Applicant's testimony and documents concern printouts from the PTO's TESS database of records of non-party applications and registrations (and three of Opposer's registrations) with the word "Havana" or "Habana" in the TESS "Word Mark" field, including all 61 Exhibits to Applicant's Notice of Reliance, and 63 of the 70 exhibits to Bock's trial testimony (61 TESS Reports, which appear to duplicate, with different exhibit numbers, Applicant's NOR; plus two lists from the PTO website, Bock Ex. 5, 6). Applicant has submitted no other records from the application or registration files. Although the point of these printouts is not clear, Applicant appears to claim that because other applications or registrations in IC 34 contain the word "Havana" or a variant in the TESS "Word Mark" field, Applicant is entitled to register its mark.

Even assuming their admissibility and relevance, a review of these TESS printouts reveals that Applicant's attempted reliance on them is, at best, misleading, particularly in light of the "relevance" statements asserted in Applicant's NOR for each of these reports. Further, the additional documents from the PTO's TDR files submitted by Opposer in Rebuttal show that several Examiners have themselves been *deceived into believing that the marks are for cigars or tobacco from Cuba*, that the Examiners have a fundamental misunderstanding of "Cuban seed tobacco," and that they have addressed the use of "Havana" for cigars and "Cuban seed tobacco" inconsistently, arbitrarily and irrationally.

a. The TESS Reports Proffered by Applicant

Twelve (12) of the TESS reports are for pending applications, not registrations (11 in IC 34, one in IC 35, which Opposer is currently opposing, *see* Opp. Rebuttal NOR 6). Bock Ex. 9, 13, 26, 30, 35, 42-47, 50; App NOR 3, 7, 20, 23, 28, 35-40, 43.

Three (3) of the TESS reports are for registrations that have been cancelled. Bock Ex.

58, 62, 63; App. NOR 51, 55, 56.

Six (6) of the TESS reports are for registrations on the Supplemental Register. Bock Ex. 31, 33, 34, 40, 54, 59; App. NOR 24, 26, 27, 33, 47, 52.

Six (6) of the TESS reports are for registrations under section 2(f), *i.e.*, the registrant claims the mark has acquired secondary meaning. Bock Ex. 27, 29, 36, 39, 56, 67; App. NOR 21, 22, 29, 32, 49, 60.⁸

Five (5) of the TESS reports are for registrations owned by Opposer Habanos, S.A. (3), another Cuban cigar company (1), and one certification mark owned by the Republic of Cuba. Bock Ex. 8, 21, 22, 61, 68; App. NOR 2, 15, 16, 54, 61. Three of these *Cuban* marks are design or word plus design marks, which include in tiny print “Habana, Cuba,” correctly denoting the origin of the goods, and thus appear in the “Word Field.” App. NOR 2, 15, 16.

Two (2) of the TESS reports are not for cigars, but for other tobacco products. Bock Ex. 38, 41; App. NOR 31, 34.

In twelve (12) of the TESS reports – ten (10) of which are design marks – “Havana” or “Habana” is a minor feature of the mark, or is included in the “Word Field” because it appears in the design, and which create a substantially different commercial impression from the standard character HAVANA CLUB mark. Bock Ex. 11, 12, 14, 15, 19, 23-25, 48, 51, 55, 57; App. NOR 5, 6, 8, 9, 13, 17-19, 41, 44, 48, 50; *see, e.g.*, Bock Ex. 11, 19, 55, 57 (GIRALDILLA DE LA HABANA HAND MADE CIGARS; MONSEGNOR DE LA HABANA; K HANSOTIA & CO. TOBACCO MERCHANTS HAVANA LEGEND 4421 SELECT PREMIUM; SIMPLY THE

⁸ Two of the section 2(f) registrations are for LA HABANERA, for which registration had previously been refused by the Board, pursuant to section 2(c)(3). *See In re Compania Tabacalera Santiaguense, S.A.*, 1999 WL 546830 (T.T.A.B. 1999) (copy annexed). The attorney for these marks is the same as Applicant’s. Mr. Bock has never seen this brand in the market during his decades in the U.S. cigar business, leading one to wonder how these marks could have acquired secondary meaning sufficient for section 2(f) registration. Bock Tr. 48:2-4; Bock Ex. 29, 32, App. NOR 22, 25.

SWEETEST SMOKE THIS SIDE OF HAVANA). Two of the marks are elaborate design marks that include the name of the registrant, Habana Cuba Cigar Company. Bock Ex. 14, 15; App. NOR 8, 9. Three of the marks are historic pre-Revolution marks – PUNCH, BELINDA (registered in 1927), and BACCHANTE (registered in 1957), whose ownership in the United States has been judicially determined to remain with the pre-Revolution Cuban owners, and in which “Habana” appears in tiny print as part of the historic design of these originally Cuban marks. Bock Ex. 23-25; App. NOR 17-19; Opp. Rebuttal NOR 4; *see Empresa Cubana del Tabaco v. Culbro Corp.*, 213 F. Supp. 2d 247, 256 (S.D.N.Y. 2002), *rev’d on other grounds*, 399 F.3d 462 (2d Cir. 2005).⁹

Thus, of the 60 TESS reports, only 14 concern registrations that prominently feature Habana or Havana, totaling only 12 marks (three (3) are the same mark, HABANA GOLD). Bock Ex. 7, 10, 16-18, 20, 32, 37, 49, 52, 60, 64-66; App. NOR 1, 3, 10-12, 14, 25, 30, 42, 45, 53, 64-66 (App. NOR 46, Bock Ex. 53 is a duplicate of App. NOR 10, Bock Ex. 16). Of these 12 marks, Bock admitted that he had never seen five (5) of them in the market. Bock Tr. 35:25-36:3, 49:2-5, 67:1-3, 111:10-13, 115:10-16. Applicant submitted *no* evidence corroborating his vague testimony that any of the other seven (7) marks are in the market, except “Havana Sunrise” and “Havana Honeys,” a flavored cigar that is essentially a gimmick or novelty item. Bock Ex. 28 (flavors such as honey, vanilla, blackberry, sold in “honey pots” and “bee cartons”); Bock Tr. 121:21-122:7 (cigar “was dipped in honey or something, so it becomes a sweet taste and it ruins the flavor of the tobacco”).¹⁰

⁹ With the exception of the three cited pre-Revolution marks, whose rights have been judicially determined, nothing herein concedes that any of these marks were entitled to registration, only that these marks create a substantially different commercial impression from HAVANA CLUB.

¹⁰ Bock testified that he had not seen most of the marks identified in the TESS reports in the market, and, with the exception of Havana Honeys, he failed to submit any documentary evidence that *any* of the marks are in the market.

Cigars that include “Havana” in the brand name run the full range of strength and flavor, from honey, vanilla, or blackberry Havana Honey flavored cigars, to mild, medium and, rarely, full-bodied. *See* Gomez Cross Ex. 2 (Havana Sunrise promoted as “Mild-medium” by one of Gomez’s distributors, Gomez Tr. 32:17-33:14); *see id.* Cross Ex. 1 (listing Havana Sunrise as “mild-medium”); *see* Opp. Rebuttal NOR 28 (*Perelman’s Pocket Cyclopedia of Cigars*, listing brands in the national market using “Havana ____” or variants, showing that two of the listed brands are flavored cigars, the majority are mild or mild to medium, a few are medium or medium to full-bodied, and only one is full-bodied). Although Bock “assume[ed] because of the name Havana it has to be a heavier cigar,” Bock 135:21-136:3, he failed to proffer any evidence in support of this assumption, and the only evidence of record directly contradicts his assumption. The only cigar brand Bock had smoked among those identified in his exhibits was the honey-dipped “Havana Honeys,” which ruined the tobacco flavor. Bock Tr. 135:15-20; 121:21-122:7.

The only other “evidence” Applicant submitted concerning other marks is the testimony of Benjamin Gomez. Mr. Gomez testified that his company owns the registration for the mark HAVANA SUNRISE for “cigars composed of Cuban seed tobacco” and several tobacco accessories, and that he signed and filed a Statement of Use for *all* the goods listed, but admitted the company has *never* sold any tobacco accessories under the HAVANA SUNRISE mark. Gomez Tr. 34:18-35:3; 40:4-41:4; Gomez Cross Ex. 3, 5. He has no information about the tobacco blend or “Cuban seed” that Applicant intends to use for its HAVANA CLUB cigars. Gomez Tr. 31:6-21. He does not identify HAVANA SUNRISE cigars as using “Cuban seed tobacco,” and he has no knowledge whether the tobacco is grown from seeds that are descended from seeds from Cuba from “back in the day,” meaning the early 1960’s, other than what the

growers in Honduras tell him. *Id.* 22:1-3; 23:24-24:10, 41:5-19. The HAVANA SUNRISE cigar is promoted in the market as mild-medium bodied. Gomez Cross Ex. 1, 2. Although he has been in the cigar business for decades, he could only identify four other brands, without prompting from Applicant's lawyer, that are actually in the market "that include the word 'Havana' or 'Habana' as part of the trademark." Gomez Tr. 11:12-12:10.

b. The PTO's Misunderstandings and Confusions Regarding "Havana" for Cigars

Far from supporting Applicant's position, additional documents submitted by Opposer from the PTO's TDR database demonstrate that PTO Examiners are regularly deceived into believing that the cigars or tobacco for marks using "Havana" actually come from Cuba. The documents also show serious misunderstandings of "Cuban seed tobacco," inconsistent, indeed arbitrary rationales for approving cigar marks using "Havana," and that one Examiner has inexplicably actively solicited applicants to amend their goods to claim "Cuban seed tobacco."

At least five different Examiners have been deceived by the use of "Havana" in a cigar mark (with or without a "Cuban seed tobacco" claim) to believe that the non-Cuban cigar goods in fact come from Cuba. One Examiner, deceived by the mark GIRALDILLA DE LA HABANA for cigars, therefore required only a disclaimer:

Applicant must disclaim the ... *geographically descriptive* terms "**LA HABANA**," ... because they merely identify or describe important features of the goods, specifically, that *they are from or related to* La Habana, Cuba ... See attached description of "La Habana" as a province of Cuba.

Opp. NOR 3 (emphasis added). The applicant adopted the disclaimer without correcting the deception of the Examiner and the mark was registered. *Id.*

Another Examiner was deceived by the mark HAVANA DREAMS CIGAR FACTORY for cigars, believing that the goods actually came from Cuba. Opp. Rebuttal NOR 10. The

Examiner required a disclaimer because she erroneously believed that the mark “merely described the applicant’s Havana cigars,” which the Examiner recognized meant “A cigar made in Cuba” (referencing and attaching *American Heritage Dictionary* definition of “Havana”); and stating erroneously, “Applicant is a CIGAR FACTORY and they make HAVANAS.” *Id.*

A third Examiner was deceived by HOJA DE HABANO (meaning “leaf of Havana,” App. NOR 30), believing the mark “is merely descriptive and *geographically descriptive* because the goods *are made from tobacco leaves of Cuban origin*.” Opp. Rebuttal NOR 11 (emphasis added). The applicant made a disclaimer, without correcting the deception.

A fourth Examiner refused registration to HABANA GOLD pursuant to section 2(c)(3), but then stated: “Normally, if an applicant who seeks to register a mark containing the geographical name of a location in Cuba describes its goods as ‘cigars made from Cuban seed tobacco’, the refusal to register the mark would be withdrawn,” with no explanation, or even a requirement that the goods be so made. In a supplemental office action, this Examiner stated, “if the applicant amends its identification to ‘cigars produced from Cuban seed tobacco,’ the applicant will then be required to disclaim HABANA on the grounds that the term is *descriptive* with regard to a *characteristic* of the goods.” The Examiner failed to identify what characteristic of the goods the word HABANA could possibly describe or how the added words overcame the refusal. Opp. Rebuttal NOR 21.

Many of the application files cited by Applicant have been reviewed by one Examiner, David Reihner, who was also the Examiner herein. With due respect, Mr. Reihner has a fundamental misunderstanding of “Cuban seed tobacco,” apparently having been misled by applicants to believe that cigars made from “Cuban seed tobacco” originate in Cuba. Moreover, Mr. Reihner, without explanation, and on his own initiative for reasons that are not evident, has

repeatedly solicited applicants to amend the goods to add “made from Cuban seed tobacco,” and disclaim “Havana,” upon which the section 2(e)(3) refusal to register is withdrawn.

In a recent office action, HAVANA JOE’S for “cigars from Cuban seed tobacco,” Mr. Reihner stated, “The applicant must insert a disclaimer of ‘Havana’ The word ‘Havana’ is geographically descriptive of cigars that have their origins in Cuba.” Opp. Rebuttal NOR 13. While that last statement is undoubtedly true, it is also undoubtedly true that that applicant’s cigars do not “have their origins in Cuba.”¹¹

In another Office Action (HABANA LEON, Opp. Rebuttal NOR Ex. 2), Mr. Reihner refused registration under section 2(e)(3), but then stated:

If applicant’s goods are composed with Cuban seed tobacco and the recitation of goods is amended to be “cigars made with Cuban seed tobacco”, the refusal to register under Trademark Act §§ 2(a) and 2(e)(3) will be withdrawn. However, if the goods are so amended, the mark will be refused because it is *primarily geographically descriptive*, but then the application may be amended to the Supplemental Register or a claim of distinctiveness may be submitted in order to cure the refusal. In addition, the word “Habana” will have to be disclaimed.

(Emphasis added); *see also* Opp. Rebuttal NOR 7 (same). For the Examiner to believe that “Cuban seed tobacco” made the mark *primarily geographically descriptive*, he necessarily believed, wrongly, that “Cuban seed tobacco” comes from or originates in Havana or Cuba.

In other cases, Mr. Reihner has not even included the statement that the goods be made from “Cuban seed tobacco” as a condition of amendment. *See* Opp. Rebuttal NOR 5; *see also* Opp. Rebuttal NOR 18, 20. In still another, almost comical, and highly revealing exchange, Mr. Reihner told an applicant, “If the goods are *renamed* as ‘hand made cigars made from Cuban seed tobacco’, the refusal will be withdrawn.” Opp. Rebuttal NOR 9 (emphasis added). When the applicant responded, “we rename the goods to ‘Hand made cigars made from Cuban

¹¹ As discussed in Point I.D., *infra*, goods have their origins from a geographic location if “they are manufactured, produced, or sold there.” T.M.E.P. § 1210.03.

Tobacco,” the Examiner then instructed the applicant in bold letters to include the word “**seed**,” which, predictably, the applicant did.

A recent remarkable exchange reveals the extent of Examiner Reihner’s confusion regarding “Cuban seed tobacco,” and the dubiousness of his actively soliciting applicants to add the words “Cuban seed tobacco.” Opp. Rebuttal NOR 19 (pending application for GIANNA HAVANA for “cigars”). In a May 24, 2007, Office Action, Mr. Reihner refused registration under section 2(e)(3), making no mention of “Cuban seed tobacco.” Applicant responded by repeatedly arguing that its “cigars *did not originate* from Havana,” and made no claim of “Cuban seed tobacco.” On January 7, 2008, Mr. Reihner, correctly, maintained the refusal to register under section 2(e)(3). Then, in the teeth of the applicant’s own denial that the goods originate in Havana, the Examiner stated:

It is called to applicant’s attention, however, that *if the goods are amended* to be “cigars made with Cuban seed tobacco” and the word “Havana” is disclaimed, the refusal to register will be withdrawn. The reason is that *the origin of the goods would be identified honestly as having their origin in Cuba*. The mark would then be *geographically descriptive*, a refusal that could be cured with a disclaimer....

Id. (emphasis added). As shown above, the words “made from Cuban seed tobacco” indisputably do not identify the goods as “*honestly* having their origin in Cuba.”

Similarly, with HAVANA SUNRISE, the mark about which Mr. Gomez testified, Examiner Reihner initially refused registration under sections 2(a) and 2(e)(3). Gomez Cross Ex. 5 (Office Action No. 1). The applicant then filed an extensive response, disclaiming any connection to Havana, Cuba, and claiming that Little Havana in Miami, where the goods were made, “is the geographic point that the applicant is describing in his cigars and cigar boxes.” *Id.* (Feb. 25, 2001 Response). The Examiner correctly maintained the refusal because “the designation Havana, refers to Havana, Cuba, and not to Little Havana.” *Id.* (Office Action No.

3). Nevertheless, and despite the explicit denials of any claim to an association with Cuba, the Examiner directly solicited the applicant to amend the goods to state they are “composed of Cuban seed tobacco,” upon which “the refusal to register will be withdrawn.” *Id.* The applicant then retained Mr. Sanchelima, the Applicant’s lawyer here, who amended the goods as the Examiner advised. *Id.* (Nov. 7, 2001 Letter; Amendment).

Mr. Reihner’s mistaken belief that “Cuban seed tobacco” originates in Cuba appears to be at least in part a result of false and misleading information provided by earlier applicants. For example, after a section 2(e)(3) refusal for HAVANA & DESIGN, the applicant in 2002 falsely and misleadingly claimed that because the goods “actually are made from Cuban seed tobacco, the goods do, in effect, originate from the geographical location indicated in the mark,” that is, Havana. The Examiner then withdrew the section 2(a), 2(e)(3) refusal, but required a disclaimer because of the mistaken belief that the mark “is primarily *geographically descriptive*. Because the goods are made from Cuban seed tobacco and Havana is in Cuba, *the geographical designation describes the origin of the goods.*” Opp. Rebuttal NOR 12 (emphasis added). Also in 2002, a different applicant falsely stated to the same Examiner that, based on its “Cuban seed” claim, “applicant’s goods [cigars] come (at least in part) from Havana, Cuba.” Opp. NOR 15 (HABANOS REY). The Examiner approved the mark for registration, but faced with an Opposition from the Opposer herein, the applicant abandoned its application. Opp. NOR 16.

Opposer has brought numerous TTAB opposition proceedings and three federal court actions against applications for, or uses of “Havana” or variants, all of which have resulted in withdrawals of the applications and injunctions or agreements not to use the mark, with the exception of one pending recent Opposition. *See* Opp. NOR 16; Opp. Rebuttal NOR 6, 26-27. As noted, the Board has recently held for Opposer in *Guantanamo Cigars, supra*, sustaining

the Opposition under section 2(e)(3).

RELEVANT STATUTORY AUTHORITY

Under section 2(e) of the Lanham Act, a trademark must be refused registration if it “[c]onsists of a mark which (1) when used on or in connection with the goods of the applicant is . . . deceptively misdescriptive of them . . . [or] (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them.” 15 U.S.C. § 1052(e)(1), (3) (2005). Under section 2(a), a trademark shall be refused registration on the principal register if it “[c]onsists of or comprises... deceptive... matter....” 15 U.S.C. § 1052(a).¹² Under section 1(b)(3)(C), an application seeking registration of an intent-to-use mark must include a verified statement that “to the best of the verifier's knowledge and belief, the facts recited in the application are accurate.” 15 U.S.C. § 1051(b)(3)(C).

“[T]he test for deceptive misdescriptiveness [under section 2(e)(1)] has two prongs: (i) whether the mark misdescribes the goods to which it applies; and (ii) whether consumers are likely to believe the misdescription.” *Glendale Intern. Corp. v. U.S. Patent & Trademark Office*, 374 F. Supp. 2d 479, 485-86 (E.D. Va. 2005) (citing cases); *see In re Phillips-Van Heusen Corp.*, 63 U.S.P.Q.2d 1047 (T.T.A.B. 2002); T.M.E.P. § 1209.04 (5th ed. 2007) (“term that conveys an immediate idea of an ingredient, quality, characteristic, function or feature of the goods...but the idea is false, although plausible,...is deceptively misdescriptive and is unregistrable under §2(e)(1)”). Applicant has made no argument and submitted no evidence that “Havana” or “Havana Club” describes an “ingredient, quality, characteristic, function or feature of the goods”

¹² A mark that is unregistrable under section 2(e)(3) is also deceptive and unregistrable under section 2(a). *See In re California Innovations, Inc.*, 329 F.3d 1334, 1340 (Fed. Cir. 2003) (“geographically deceptively misdescriptive marks [are given] the same treatment as geographically deceptive marks under § 1052(a)”). Therefore, consistent with Board practice, Opposer will not separately address section 2(a) deceptiveness. *See, e.g., Corporacion Habanos, S.A. v. Guantanamera Cigars Company*, Opp. No. 91152248, at 6 (T.T.A.B. Feb. 29, 2008).

(other than its geographic misdescriptiveness), and any such claim would be frivolous, but if it does so, Opposer will respond as appropriate.

ARGUMENT

I. APPLICANT'S MARK CANNOT BE REGISTERED BECAUSE IT IS PRIMARILY GEOGRAPHICALLY DECEPTIVELY MISDESCRIPTIVE

Under section 2(e)(3), the PTO must deny registration if “(1) the primary significance of the mark is a generally known geographic location, (2) the consuming public is likely to believe the place identified by the mark indicates the origin of the goods bearing the mark, when in fact the goods do not come from that place, and (3) the misrepresentation was a material factor in the consumer’s decision.” *In re California Innovations, Inc.*, 329 F.3d 1334, 1341 (Fed. Cir. 2003); *see* T.M.E.P. § 1210.01(b) (using four factor test, separating goods/place association from whether goods do not come from that place). Here, the evidence overwhelmingly satisfies each of the *California Innovations* factors.

Indeed, the PTO has already found that the mark is primarily geographically deceptively misdescriptive for “cigars,” reversing itself, without explanation, based solely on the amendment to “cigars made from Cuban seed tobacco.”¹³ Because the Examiner did not explain his rationale for reversing his initial refusal, it is unclear which prong or prongs of the *California Innovations* test he believed were overcome by this amendment, and each factor is addressed below. Nevertheless, the only conceivable factor that the Examiner could have thought was altered was whether the goods “come from that place” named in the mark.

A. The Primary Significance of the Mark is a Generally Known Geographic Location – Havana, Cuba

The primary significance of Applicant’s HAVANA CLUB mark is indisputably a

¹³ The only other change – the disclaimer of “Havana” – could not have altered the original refusal, because a refusal under section 2(e)(3) cannot be overcome by disclaiming the geographic component of the mark. *See In re Hiromichi Wada*, 194 F.3d 1297, 1300-02 (Fed. Cir. 1999).

generally known geographic location. Havana is Cuba's capital, largest city and chief port. This fact is established by the undisputed and overwhelming evidence cited in the Statement of Facts, Point 3, *supra*, including Applicant's admissions and the referenced dictionaries and encyclopedias. See Opp. NOR 2-4, 11. Applicant has not submitted *any* evidence that contradicts this fact. Plainly, the geographic meaning of "Havana" is not "minor, obscure, remote, or unconnected with the goods," in this case cigars. *In re Spirits of New Merced, LLC*, 85 U.S.P.Q.2d 1614, 1616 (T.T.A.B. 2007).

Dispositively, this Board has already held, repeatedly, that "the primary significance of HAVANA [is] a city in Cuba." *In re Bacardi & Co., Ltd.*, 48 U.S.P.Q.2d 1031, 1034 (T.T.A.B. 1997) (*Bacardi I*); see *In re Bacardi & Co., Ltd.*, 1997 T.T.A.B. Lexis 169, at *3-5 (T.T.A.B. 1997) (*Bacardi II*) (copy annexed); *In re Boyd Gaming Corp.*, 57 U.S.P.Q.2d 1944, 1946 (T.T.A.B. 2000). Consistent with these Board decisions and the facts, the PTO found during its examination of the challenged mark that "[t]he primary significance of the term 'Havana' is geographic," App. File, a finding Applicant did not contest in its response.

The mere addition of the generic term "club" to "Havana" does not alter the fact that the primary significance of the mark is a generally known geographic location, as the PTO explicitly recognized here in its initial refusal (citing *American Speech-Language Hearing Ass'n v. National Hearing Aid Society*, 224 U.S.P.Q. 798, 808 (T.T.A.B. 1984)). The Board has already considered the effect of similar composite marks using generic or descriptive terms, and held that the primary significance of each of the marks "HAVANA SELECT," "HAVANA PRIMO," "HAVANA CLIPPER," "OLD HAVANA," "HABANA CLASICO" and "HAVANA STYLE" is a generally known geographic location. See *Bacardi I*, 48 U.S.P.Q.2d at 1034; *Bacardi II*, 1997 T.T.A.B. Lexis 169, at *3-5; see also *In re Boyd Gaming Corp.*, 57 U.S.P.Q.2d at 1946 (primary

significance of ROYAL HAVANA RESORT & CASINO and HAVANA RESORT AND CASINO for clothing and cosmetics is geographic, despite additional wording).

There is no basis to distinguish the generic word “club” from these cases, as the PTO recognized in refusing unrelated applications for the identical mark HAVANA CLUB in other classes, including specifically finding that adding the generic word “club” to “Havana” does not alter the primary geographic significance of the mark. *See* Opp. NOR 11, 12.

The Board has recently reiterated, “The addition of a generic word to a geographical term does not overcome the primary geographic significance of the mark as a whole.” *Spirits of New Merced, supra*, at 1620 (affirming section 2(e)(2) refusal to register YOSEMITE BEER); *see also In re Brouwerij Nacional Balashi NV*, 80 U.S.P.Q.2d 1820, 1821 (T.T.A.B. 2006); *California Innovations*, 329 F.3d at 1342; *In re Colorado Steakhouse*, 71 U.S.P.Q.2d 1921, 1927 (T.T.A.B. 2004) (“addition of the generic word ‘steakhouse’ ...[does not] detract[] from the primary geographical significance of the mark,” citing *Bacardi I*).

That the mark’s primary significance is geographic is reinforced by the fact that the only other meaning of “Havana” noted in dictionaries, encyclopedias, and publications is a cigar made in Havana or from Cuba, as opposed to a commonly known meaning unrelated to the generally known geographic location. Obviously, Applicant cannot claim that it is entitled to register HAVANA CLUB because the primary significance of the mark is not Havana, Cuba, but *a cigar from Havana, Cuba*, when its cigars admittedly do not come from Havana or Cuba.

Finally, nothing in the amendment from “cigars” to “cigars made from Cuban seed tobacco,” which forms no part of the mark, could have altered the PTO’s finding that the primary significance of HAVANA CLUB is a known geographic location.

B. Consumers are Likely to Believe There is a Goods/Place Association Between Havana and Cigars

Dispositively, Applicant has waived any argument that U.S. cigar consumers are not likely to make the requisite goods/place association between cigars and Havana, Cuba. As noted, Applicant dismissed with prejudice its Third Affirmative Defense (“Lack of Place/Goods Association”). Having dismissed, and thereby waived, that Affirmative Defense, Applicant cannot be heard now to assert that a goods/place association is lacking here. The Board should not look beyond the voluntary dismissal with prejudice. *See* T.B.M.P. §§ 311.02(c), 314.

Even if the Board addresses the merits, the showing required to establish a goods/place association, *i.e.*, “that the public is likely to believe that applicant’s cigars originate in [Havana], Cuba,” *Guantanamera Cigars, supra*, at 17, is easily met. The standard for establishing a goods/place association is not a high one. *See California Innovations*, 329 F.3d at 1338, 1340 (noting “relatively easy burden of showing a naked goods-place association”); *In re Les Halles de Paris J.V.*, 334 F.3d 1371, 1374 (Fed. Cir. 2003) (“[T]he goods-place association often requires little more than a showing that the consumer identifies the place as a known source of the product.”); *In re Loew’s Theatres, Inc.*, 769 F.2d 764, 766-68 (Fed. Cir. 1985) (goods/place association may be shown without evidence that “the place is well-known or noted for the goods”; association by “more than a *de minimis* segment of the public”); *In re Save Venice New York Inc.*, 259 F.3d 1346, 1353-54 (Fed. Cir. 2001); T.M.E.P. § 1210.04(a) (citing decisions).

Here, the evidence is overwhelming and unrefuted that the American cigar-consuming public “is likely to believe [that Havana] indicates the origin of the goods bearing the mark.” *California Innovations*, 329 F.3d at 1341; indeed, several Examiners have made that assumption with other “Havana” marks. *See* Statement of Facts, Points 3.b., 5.b., *supra*. It is difficult to imagine a stronger case of a goods/place association than Havana, Cuba and cigars, where Havana is so famous for cigars that Cuban cigars are commonly called “Havanas.”

Notably, the Board recently found “that there is a goods-place association between cigars and Guantanamo, Cuba,” *Guantanamera Cigars*, *supra*, at 20, based on evidence that Guantanamo province and the larger surrounding region of Oriente in eastern Cuba is a tobacco producing region of Cuba, and “that Cuba is renowned for its tobacco and cigars.” *Id.* at 18-19. This finding of a goods/place association between Guantanamo and cigars, based on Cuba’s renown for cigars and tobacco, and the fact that Guantanamo is a tobacco producing region, necessarily establishes a goods/place association between cigars and Havana, Cuba, a place virtually synonymous with high quality cigars. Likewise, if the production of tobacco in Durango, Mexico, which is barely known for tobacco, establishes a goods/place association, *see Loew’s Theatres*, 769 F.2d at 768-69, then surely Havana’s unrivaled status for its “world-famous Havana cigars,” *Encyclopedia Britannica*, Opp. NOR 3, meets the test.

Here, the PTO Examiner already concluded, correctly, that “[t]he public is likely to believe that applicant’s goods come from this place because Havana, Cuba, is a place where cigars are produced.” App. File. Applicant neither challenged this finding at the PTO, nor has it submitted any contrary evidence. Instead, Applicant dismissed its affirmative defense of a lack of a goods/place association with prejudice, following Mr. Bock’s testimony that Applicant’s allegation that “Havana does not have a reputation as a source of cigars ... is sort of misleading.” Bock Dep. 134:3-17 (“Q. The City of Havana does have a reputation as a source of cigars, isn’t that correct? A.: I mean, they manufacture cigars there, I’m not denying that. No one would deny that. I know that.”). Indeed, Applicant made the association, including Havana’s iconic Morro Castle on its HAVANA CLUB logo. *See* Bock Tr. 84:21-86:2; Bock Cross Ex. 1; *Guantanamera Cigars*, *supra*, at 19-20 (early packaging that “sought to foster an association of its goods with Cuba” reinforces finding of goods/place association).

In *Bacardi I*, the Board held that U.S. consumers were likely to make a goods/place association between Havana and rum products, relying on “evidence from dictionaries, encyclopedias and gazetteers indicating that HAVANA, Cuba is a major city which produces a variety of goods, among which ‘rum’ is listed as a significant product.” *Bacardi I*, 48 U.S.P.Q.2d at 1035; *see Boyd Gaming*, 57 U.S.P.Q.2d at 1946-47 (finding goods/place association with clothing, cosmetics, hotels, and resorts and Havana, Cuba); Opp. NOR 11-12. Under these cases, the goods/place association between Havana and cigars is necessarily met.

Finally, nothing in the amendment from “cigars” to “cigars made from Cuban seed tobacco,” which forms no part of the mark, could have altered the PTO’s finding of a goods/place association between Havana and cigars.

C. The Goods/Place Association Will Be Material to the Consumers’ Purchasing Decision

The third *California Innovations* factor is also easily satisfied on the record here, and in light of *Guantanamera Cigars*, *supra*, at 20-21. The Examiner here correctly concluded that “this belief [“that applicant’s goods come from” Havana] *would materially influence* consumers to purchase the goods because Havana, Cuba, a location where cigars are produced, *is renown* for the production of cigars and purchasers would base the purchase of those goods upon the misconception that applicant’s goods originate from Havana, Cuba.” App. File (Sept. 1, 2004 Office Action) (emphasis added). Applicant did not challenge that finding and has produced no evidence challenging Havana’s renown for cigars.

The PTO finding is confirmed by the overwhelming, unrebutted evidence of record, which establishes Havana, Cuba’s extraordinary renown in the United States as a source of high quality cigars. *See* Statement of Facts, Point 3.b., *supra*. Thus, a consumer’s belief that a cigar is of Cuban origin is, as a general matter, highly material to the decision whether to purchase that

cigar, as this Board has just held in *Guantanamera Cigars, supra*, at 20-21:

Because opposer has established Cuba's renown and reputation for high-quality cigars, see evidence discussed above, we find that the goods-place association created by applicant's mark with Cuba is material in a consumer's decision to purchase applicant's cigars.

Here, Opposer has established not only "Cuba's renown and reputation for high-quality cigars," but the specific renown and reputation of Havana for high-quality cigars, including in reliance on sources identical to those cited in *Guantanamera Cigars, supra*, at 19. See Opp. NOR 2, 3, 11; *California Innovations*, 329 F.3d at 1341 (explaining section 2(e)(3) materiality, "[I]f there is evidence that goods like applicant's or goods related to applicant's *are a principal product* of the geographical area named by the mark, then the deception will most likely be found material and the mark, therefore, deceptive") (quoting *In re House of Windsor*, 221 U.S.P.Q. 53, 57 (T.T.A.B. 1983)) (emphasis added); *id.* at 1340-41 ("showing that the place was not only well-known, but renowned for the products at issue supports a finding of materiality") (citing and discussing cases); *In re Consolidated Specialty Restaurants Inc.*, 71 U.S.P.Q.2d 1921, 1928-29 (T.T.A.B. 2004) (finding materiality where "evidence ... clearly establishes that Colorado is known for its steaks and that the public is aware of the connection of Colorado with high quality steak (or beef)"); *Daesang Corp. v. Rhee Bros., Inc.*, 77 U.S.P.Q.2d 1753, 1763 (D. Md. 2005) (finding materiality because region "has been renowned for its high quality of gochujang").

Applicant's choice of a label that prominently features the Morro Castle, a symbol of Havana, provides additional evidence of the materiality of a goods/place association. See *Guantanamera Cigars, supra*, at 21 (promoting false association with Cuba in packaging (which was not part of the mark, and which was changed) showed applicant believed the Cuban association "is a material factor in the decision to purchase a cigar," constituting additional evidence supporting materiality finding); *The Scotch Whiskey Assn. v. Consolidated Distilled*

Products, Inc., 210 U.S.P.Q. 639, 642 (N.D. Ill. 1981) (geographic deceptiveness reinforced by “the label [which] displays a castle and refers to a Scottish island”).

That Applicant has chosen HAVANA CLUB out of the universe of possible names for a cigar product that is not from Havana or Cuba is itself highly relevant to discerning materiality. No reason exists other than to seek to have consumers link its non-Havana product with Havana’s fame and reputation for great cigars. A mistaken impression that Applicant’s cigars are of Cuban origin will function in precisely the desired manner, leading consumers who might not otherwise purchase Applicant’s cigars to do so. *See In re Perry Mfg. Co.*, 12 U.S.P.Q.2d 1751, 1752 (T.T.A.B. 1989) (“[W]e can fathom no reason for a North Carolina manufacturer, with no connection to New York, to adopt a mark incorporating the words ‘New York’ and the New York skyline other than an attempt to appeal to the consumer’s desire for clothing connected with New York and its fashion image and industry.”).

Finally, nothing in the amendment of goods from “cigars” to “cigars made from Cuban seed tobacco,” which is not part of the mark, could rationally have altered the PTO’s finding that the goods/place association will be material to purchasing decisions.

D. Applicant’s Goods Do Not Come From Havana, Cuba

The final part of the *California Innovations* test is that “in fact the goods do not come from that place” named in the mark. *California Innovations*, 329 F.3d at 1341; T.M.E.P. § 1210.01(b)(2) (“the goods or services do not originate in the place identified in the mark”). “Goods or services may be said to ‘originate’ from a geographic location if, for example, they are *manufactured, produced or sold there.*” T.M.E.P. § 1210.03 (emphasis added); *see id.* (noting that “a product might be found to originate from a place if the *main* component or ingredient is made in that place”) (emphasis added); *Fred Hayman Beverly Hills Inc. v. Jacques*

Bernier Inc., 38 U.S.P.Q.2d 1691, 1694-95 (T.T.A.B. 1996).

Here, Applicant explicitly admits that its cigars, tobacco and tobacco seeds *do not come from* Havana, Cuba, and *none* of the components or ingredients comes from Havana, Cuba or anywhere else in Cuba. Statement of Facts, Point 4, *supra*.¹⁴ Instead, Applicant merely claims that its non-Cuban cigars will be made from non-Cuban tobacco grown from seeds that *may* be distant descendants of tobacco seeds brought from Cuba a half century ago, and that there is no other connection or association with Cuba or Havana, and no claim of any shared qualities or characteristics with Cuban cigars or Cuban tobacco. *Id.*

Because Applicant's goods *do not come from* Havana (or Cuba), this *California Innovations* factor is plainly satisfied, and that should end the inquiry. There is no ambiguity in this factor, and no reason to believe that the Federal Circuit meant something other than what it said: "*in fact* the goods do not come from that place." Neither the Board nor the Federal Circuit (or its predecessor) has ever deviated from this standard, to Opposer's knowledge. *See, e.g., Loew's Theatres*, 769 F.2d at 767-68; *In re Nantucket, Inc.*, 677 F.2d 95, 99 (C.C.P.A. 1982); *Singer Manufacturing Co. v. Birginal-Boigsby Corp.*, 319 F.2d 273, 275 (C.C.P.A. 1963). The TMEP's explication is just as clear and straightforward: whether the goods, or a "main component or ingredient...are manufactured, produced or sold there." T.M.E.P. § 1210.03.

Opposer has not located any case that supports Applicant's position that a claimed distant genetic link between the plant (or animal) used to produce the manufactured goods and the geographic location overcomes a refusal to register under section 2(e)(3), when "*in fact* the

¹⁴ The CACR, 31 C.F.R. § 515.204 (2007), broadly and explicitly bar Applicant from selling not only *cigars* that come from Cuba, but also any cigars that are "made or derived in whole or in part of any article which is the *growth, produce* or manufacture of Cuba" or "[i]s of Cuban origin," or "[i]s or has been located in or transported from or through Cuba." (Emphasis added). Applicant has acknowledged that it does not have, has not sought, and does not need a license exempting it from the CACR restrictions on the import of Cuban-origin goods, because its goods are not of Cuban origin. Opp NOR 14 (App. Resp. to Int. Nos. 16(f), 21, 23, 26 (First Set)).

goods do not come from that place.” Yet absurd results would follow if the Applicant’s position were adopted, substituting a novel test – “and in fact there is no genetic link, however remote, between the goods and that place” – for the current bright-line inquiry into whether the goods come from the named place. Under this standard, the PTO effectively would have to allow *any* claim of genetic source, no matter how attenuated, unverifiable (or false), to overcome a section 2(e)(3) refusal to register, precisely as the Examiner has done here.

This test would effectively nullify section 2(e)(3) for agricultural goods, as it would be a simple matter for any applicant to claim a genetic connection between its goods and the place named in the mark, not unlike the situation with “Cuban seed tobacco” today. Illustrations from some well known cases that would make a mockery and dead letter of section 2(e)(3) follow:

- NEOPOLITAN for sausage made in Iowa from Iowa-raised hogs, by amending its goods from “sausages” to “sausages made from Italian hogs,” based on a claim that its hogs are multi-generation descendants of hogs imported from Italy (not even from Naples) 45 years ago, *see In re Jack’s Hi-Grade Foods, Inc.*, 226 U.S.P.Q. 1028 (T.T.A.B. 1985).
- THE VENICE COLLECTION for cotton clothing manufactured in Nicaragua with cotton grown in Nicaragua, by amending its goods from “cotton clothing” to “cotton clothing made from Italian cotton seeds,” based on a claim that the Nicaraguan cotton was grown from the descendants of seeds taken from Italy 45 years earlier (not even from Venice), *see Save Venice, supra*.
- HAVANA SELECT for non-Cuban rum, by amending its goods from “rum” to “rum made from Cuban sugar cane stalks” based on a claim that the sugar cane used to make the rum was descended from sugar cane removed from Cuba 45 years earlier (not even from Havana), *see Bacardi I, supra*.

Or, as a variation, COLOMBIAN SELECT for coffee grown and processed in Brazil, by amending its goods from “coffee” to “coffee grown and processed from Colombian coffee beans,” based on a claim that the Brazilian coffee was grown from coffee beans (seeds) descended from coffee beans imported from Colombia 45 years ago.

To pose these hypotheticals is to answer them. Yet there is no factual or legal difference here, as Applicant admits that the sole and only claimed connection or relationship to Havana is that Applicant’s cigars are claimed to be made from tobacco grown from seeds that may be distant descendants of seeds from plants grown in Cuba more than 45 years ago.

Applicant has submitted *no* evidence that tobacco seeds should be treated differently by the PTO from other seeds or animals for other raw or processed agricultural products associated with their geographical location (such as fruits, coffee, tea, cheeses, and cured meats). In fact, the unrefuted expert testimony is that the tobacco seed is just one of many factors in the quality of cigars, including soil, climate, seed selection, and the industrial process from tobacco leaf to finished cigars. Espino Tr. at 30:14-40:1. The *California Innovations* standard means what it says, for obvious and good reason, and Applicant has provided no reason to change it: if “in fact the goods do not come from that place,” then that part of the section 2(e)(3) test is met, regardless of claims (fanciful or not) of a genetic link, however distant, to that place.

Even if the Board wanted to (and could) modify the Federal Circuit’s clear test when an applicant could prove that seeds or animals were in fact genetic descendants, *and* that the characteristics and qualities of the goods were the same or sufficiently similar to goods actually from the named place, Applicant here has produced no such evidence. Indeed, it admits that it does not know if the seeds are descended from seeds taken from Cuba decades ago, and has admitted no connection between the characteristics of its goods and Cuban cigars or tobacco,

admissions confirmed by the expert testimony of Espino and Perelman. Thus, even if this Board is prepared to adopt a novel test (and to wade into such scientific complexity and subjective inquiry) in which manufactured goods – produced in one place from raw materials that are remote genetic descendants of raw materials from another place – are said to “come from that place” if an applicant can prove: 1) the goods are in fact genetic descendants; and 2) the goods retain the quality and characteristics of the goods from the identified location, such a claim is not, and could not, be asserted here.

E. Applicant’s Reliance on Other Marks is Misplaced

Even if admissible, *see* Statement of Evidentiary Objections, ¶¶ 1-9, Applicant’s reliance on TESS reports for applications and registrations in which “Havana” or a variant appears in the “Word Mark” field is misplaced. Applicant never pled any form of estoppel or acquiescence, which would be frivolous on the facts and law. The essence of its claim appears to be that it too should be entitled to register a mark deceptive to U.S. consumers (and PTO Examiners) because others have successfully deceived the PTO and obtained registrations. The law, however, is quite the opposite. *See In re Nett Designs, Inc.*, 236 F.3d 1339, 1342 (Fed. Cir. 2001) (“The Board must decide each case on its own merits...the PTO’s allowance of [similar] prior registrations does not bind the Board or this court.”); T.B.M.P. § 704.03(b)(1)(B) & nn. 161-162 (“third party registrations *may* be entitled to *some* weight” on issues such as meaning of mark or likelihood of confusion, citing cases; none of numerous listed cases are cited for proposition that such registrations are relevant on issue of registrability) (emphasis added).

The recent decision in *Spirits of New Merced*, *supra*, is instructive. There, the Board addressed similar reliance, in which applicant for YOSEMITE BEER “submitted printouts of 23 third-party registrations and a number of third-party applications” using the term ‘Yosemite’ in

an effort to overcome a section 2(e)(2) refusal to register. *Spirits of New Merced*, 85 U.S.P.Q.2d at 1618. The Board held, “the third party applications and cancelled registrations ... have no probative value on the issue of registrability,” and “are evidence only of the fact that the application or registration was filed on a certain date.” *Id.* at 1619; *see The Black & Decker Corp. v. Emerson Electrical Co.*, 84 U.S.P.Q.2d 1482, 1487 n.9 (T.T.A.B. 2007) (cancelled registration has “no probative weight”). Here, fifteen (15) of the TESS reports fall into these two categories. The Board also refused to consider marks registered on the Supplemental Register or those “that create different commercial impressions.” *Spirits of New Merced*, 85 U.S.P.Q.2d at 1619. Here, twenty-three (23) registrations fall into these categories, including the marks owned by Cuban entities, and another six (6) are section 2(f) registrations, and likewise have no probative value on the issue of registrability of this mark. *See In re Miracom Corp*, Serial No. 75915846, at 5-6 (T.T.A.B. Feb. 5, 2003) (evidence of third party registrations on Supplemental Register “are of no probative value”); *In re Wells Fargo Home Mortgage*, Serial No. 76624811, at 7 n.4 (T.T.A.B. June 27, 2007) (same re: section 2(f) registrations). If anything, the twelve (12) Supplemental Register and 2(f) registrations undermine Applicant’s claim to registration on the Principal Register.

The Board is “not bound by a previous examining attorney’s determination that the same mark was entitled to register, and to the extent that registration was issued in error, we would not repeat the error by permitting the mark to register again.” *Spirits of New Merced*, 85 U.S.P.Q.2d at 1619 (citing *In re Cooper*, 254 F.2d 611, 617 (C.C.P.A. 1958) (“...the decision of this case in accordance with sound law is not governed by possibly erroneous past decisions by the Patent Office”); *In re Stenographic Machines, Inc.*, 199 U.S.P.Q. 313, 317 (Comm’r Pats. 1978) (“Consistency of Office practice must be secondary to correctness of Office practice.”)); *see also*

In re Compania Tabacalera Santiaguense, S.A., 1999 WL 546830, at *3 (T.T.A.B. 1999) (copy annexed). Further, “It is well settled that each case must be decided on its own facts, based on the particular mark, the particular goods or services, and the particular record in each application.” *Spirits of New Merced*, 85 U.S.P.Q.2d at 1619-20 (citing *In re First Draft, Inc.*, 76 U.S.P.Q.2d 1183, 1188 (TTAB 2005) (“even proof that various examining attorneys have registered a particular type of mark in the past does not establish that there is an Office practice holding such marks are generally registrable”)). When, as here, the registration records of third party marks are not before the Board, the existence of third party registrations for identical or similar marks “in no way bears on the question of registrability of” the mark at issue. See *Jack’s Hi-Grade*, 226 U.S.P.Q. at 1030 (emphasis added).

Here, the evidence shows that the mark HAVANA CLUB is not entitled to registration, whether for “cigars” or “cigars made from Cuban seed tobacco.” The Board should decide “this case on its own merits,” *Nett Designs*, 236 F.3d at 1342, based on the record, and should not repeat various Examiners’ past errors in permitting other marks to register, merely because those Examiners were deceived or confused by the term “Havana” or the claim of “Cuban seed tobacco” to believe that the goods somehow come from Havana, Cuba.

II. THE APPLICATION SHOULD BE REFUSED BECAUSE OF APPLICANT’S MATERIAL MISREPRESENTATIONS AND OMISSIONS TO THE PTO

Applicant’s material misrepresentation in its amendment of the goods, particularly through its omissions of material facts, during the application process, made with the specific intent of inducing the PTO to rely on that misrepresentation in order to overcome the section 2(e)(3) refusal, is an independent ground for refusing registration of the mark. Had Applicant disclosed these facts when it amended its goods, the Examiner would have, or certainly should have, realized that adding the words “made from Cuban seed tobacco” did not overcome the

section 2(e)(3) refusal to register.

Applicant's knowingly misleading statements were not incidental or casual; rather they were made in direct response to the Examiner's refusal to register, for the specific purpose of overcoming that refusal. Applicant was under a particular duty to respond with care and with candor, because the decision whether to register a mark "must rest with the Board, not the trademark owner." *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 49 (Fed. Cir. 1986). Fraud in the procurement of a registration includes not only affirmatively false statements, but the omission of information material to the PTO's decision.

It is well established that *an applicant for a registration of a trademark has a duty of candor in his communications with the PTO....* Consequently, there is no presumption of validity attached to a PTO registration *where pertinent information is not presented to the PTO*. Fraud arises, therefore, not only where the applicant makes false statements...but also *where the applicant fails to make full disclosure of all material facts*.

Daesang Corp., 77 U.S.P.Q.2d at 1760 (citations omitted) (emphasis added). Both "knowingly inaccurate" and "knowingly misleading statements" may support a refusal of registration on grounds of fraud. *Bart Schwartz Int'l Textiles, Ltd. v. FTC*, 289 F.2d 665, 669 (C.C.P.A. 1961), *quoted in Torres*, 808 F.2d at 48; Siegrun D. Kane, *Trademark Law: A Practitioner's Guide* § 18:2.2[C], at 18-10 (3d ed. 2000) (noting fraud in application process is recognized ground to sustain opposition to registration).

As the Board has recently held, neither a specific intent to defraud, nor actual knowledge of falsity is required. *See Hurley Int'l LLC v. Volta*, 82 U.S.P.Q.2d 1339, 1345 (T.T.A.B. 2007) ("[P]roof of specific intent is not required, rather, fraud occurs when an applicant or registrant makes a false material representation that the applicant or registrant knew or should have known was false") (quoting *General Car & Truck Leasing Systems Inc. v. General Rent-A-Car Inc.*, 17 U.S.P.Q.2d 1398, 1400-01 (S.D. Fla. 1990)); *Hachette Filipacchi Presse v. Elle Belle, LLC*, 85

U.S.P.Q.2d 1090, 1094 (T.T.A.B. 2007) (applicant “obligated to confirm the meaning and accuracy of the statements contained in the application”); *Standard Knitting, Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 U.S.P.Q.2d 1917, 1928 (T.T.A.B. 2006) (“specific or actual intent of [applicant] is not material to the question of fraud”; applicant’s “disregard[] [of] the significance” of its statement constituted fraud). Here, of course, Applicant did have the specific intent of having the PTO rely on its amendment of the goods to overcome the refusal to register.

Specifically, Applicant failed to disclose the following material facts to which Applicant has now admitted: neither the “Cuban seed tobacco” nor the “Cuban seeds” from which the tobacco is grown come from Cuba; Applicant’s “Cuban seed tobacco” is claimed to be distant genetic descendants of tobacco seeds allegedly taken from Cuba at least 45 years earlier; there is no connection or relationship to Cuba or Havana other than this possible distant genetic descent; Applicant has no information that its cigars would share any characteristics with Cuban-origin cigars or tobacco; the characteristics and qualities sought by Applicant for its cigars can come from tobacco not claimed to be “Cuban seed tobacco”; and the characteristics of tobacco grown from claimed “Cuban seeds” varies based on where it is grown and what tobacco is used. *See* Statement of Facts, Point 4, *supra*.

Finally, and dispositively on this issue, Applicant admittedly does not “know *whether it is true or not*,” Bock Tr. 74:1-3, that the tobacco is in fact descended from seeds taken from Cuba 45 or more years ago, and has no way to verify that claim.

In short, Applicant amended the goods for the sole, specific purpose of overcoming the refusal. Had Applicant disclosed these material facts, the Examiner would have, and certainly should have, realized that Applicant’s “cigars made from Cuban seed tobacco” would not come from Havana or Cuba, would have no connection to Havana or Cuba and that HAVANA CLUB

for “cigars” and HAVANA CLUB for “cigars made from Cuban seed tobacco” are equally primarily geographically deceptively misdescriptive. Applicant thereby “fail[ed] to make full disclosure of all material facts” to the PTO. *Daesang Corp.*, 77 U.S.P.Q.2d at 1760.

CONCLUSION

For the reasons set forth herein, and upon all the papers and proceedings had herein, the Opposition should be sustained, and registration should be refused to Application Serial No. 78/363024 (HAVANA CLUB).

Dated: New York, New York
March 14, 2008

Respectfully submitted,

/David B. Goldstein/
DAVID B. GOLDSTEIN
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
111 Broadway, 11th Floor
New York, New York 10006-1901
Tel: (212) 254-1111
Fax: (212) 674-4614
dgoldstein@rbskl.com
Attorneys for Opposer Corporation Habanos, S.A.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of Opposer Corporacion Habanos, S.A.’s Trial Brief was sent by email and was served upon Applicant by mailing, postage prepaid, said copy on March 14, 2008 via U.S. First Class Mail to:

Jesus Sanchelima, Esq.
SANCHELIMA & ASSOCIATES, P.A.
235 S.W. Le Jeune Road
Miami, FL 33 134- 1762
jesus@sanchelima.com
Counsel for Applicant Anncas, Inc.

/David B. Goldstein/
DAVID B. GOLDSTEIN

ANNEX A

2ND CASE of Level 1 printed in FULL format.

In re Bacardi & Company Limited

Serial No. 74/534,896

Trademark Trial and Appeal Board

1997 TTAB LEXIS 169

June 3, 1997, Decided

[*1]

Before Sams, Quinn and Walters, Administrative Trademark Judges

COUNSEL:

William R. Golden, Jr., Kelley, Drye & Warren for applicant.

David C. Reihner, Trademark Examining Attorney, Law Office 107 (Thomas Lamone, Managing Attorney).

OPINIONBY: WALTERS

OPINION:

Opinion by Walters, Administrative Trademark Judge:

Bacardi & Company Limited has filed a trademark application to register the mark, HAVANA STYLE n1 for "rum."

n1 Serial No. 74/534,896, in International Class 33, filed June 8, 1994, based on a bona fide intention to use the mark in commerce. The application includes a disclaimer of the term STYLE apart from the mark as a whole.

The Trademark Examining Attorney has finally refused registration under Section 2(e) (3) of the Trademark Act, 15 U.S.C. 1052(e) (3), n2 on the ground that applicant's mark is primarily geographically deceptively misdescriptive in connection with its proposed goods.

n2 The amendments to Section 2 of the Trademark Act of 1946 made by Public Law 103-183, 107 Stat. 2057, The North American Free Trade Enactment Act, apply to applications filed on or after December 8, 1993. Prior to these amendments, the prohibitions against registration on the grounds that a mark is primarily geographically descriptive or that a mark is primarily geographically deceptively misdescriptive were contained in Section 2(e) (2) of the Act. Under the law as amended, the prohibition against registration on the ground that a mark is primarily geographically deceptively misdescriptive is contained in Section 2(e) (3) of the Act, which is applicable to the cases herein. The legal standard for determining this issue has not changed, although marks found to be primarily geographically deceptively misdescriptive are no longer eligible for registration under the provisions of Section 2(f) of the Act, subject to certain grandfather provisions. [*2]

Applicant has appealed. Both applicant and the Examining Attorney have filed briefs, but an oral hearing was not requested.

In order for registration to be properly refused under Section 2(e) (3), it is necessary to show that (i) the mark sought to be registered is the name of a place known generally to the public; and that (ii) purchasers are likely to believe, mistakenly, that the goods or services sold under applicant's mark have their origin in or are somehow connected with the geographic place named in the mark. *In re Nantucket, Inc.*, 677 F.2d 95, 213 USPQ 889 (CCPA 1982). See also, *In re California Pizza Kitchen, Inc.*, 10 USPQ2d 1704 (TTAB 1988), citing *In re Societa Generale des Eaux Minerals de Vittel S.A.*, 824 F.2d 957, 3 USPQ2d 1450 (Fed. Cir. 1987).

The issues presented in this case are identical, and the facts are similar, to those presented in the appeals in applications Serial Nos. 74/534,897 (HAVANA SELECT), 74/535,875 (HABANA CLASICO), 74/535,192 (OLD HAVANA), 74/532,342 (HAVANA PRIMO), and 74/532,527 (HAVANA CLIPPER). We affirm the refusal [*3] herein for the reasons asserted in the single decision of the Board in those cases and we incorporate that decision by reference herein. A copy of the Board's decision is enclosed.

With respect to the mark in this case, we briefly address the question of whether the addition of the term STYLE to the geographic term HAVANA detracts from the primary geographic significance of the proposed composite mark, HAVANA STYLE. n3

n3 The Examining Attorney submitted a definition of STYLE as "n. a particular kind, sort or type, as with reference to form" from The Random House College Dictionary (1973), and contends that STYLE is descriptive in relation to alcoholic beverages.

Regarding this issue, applicant merely reiterates its unsupported contention that the mark "evokes the image of a pre-Castro, free-wheeling lifestyle that would appeal to the purchasers of aged, fine rum"; and makes the also unsupported contention that applicant is "internationally renowned for being the originator of the light style of Cuban rum, aged and carefully blended, which became a favorite in the United States after Prohibition and continues to gain in popularity today." (Applicant's brief, p. 3.) [*4] The Examining Attorney contends that, even if the mark conveys that it is "of the Havana type" of rum, that the mark remains primarily geographic as it connotes that "the rum from Havana is of a particular kind." (Examining Attorney's brief, p. 8.)

We agree with the Examining Attorney that, in this case, the primary connotation of the mark remains geographic. In certain cases, by adding the word STYLE to a geographic term in a mark, the connotation of the mark, when considered in connection with the identified goods or services, may be descriptive of a style of the goods or services rather than primarily descriptive of the geographic origin of the goods or services. However, this determination must be made on a case-by-case basis and will depend on a balancing of the evidence of a goods/place association and any evidence that the geographic term is also descriptive of a style of the goods or services. In this case, while there is strong evidence that HAVANA is a geographic location for which rum is a significant product so that, as concluded herein, consumers are likely to make a goods/place association, there is no evidence to support

applicant's contention that consumers would be [*5] aware of a HAVANA style of rum. Further, even if consumers might understand the mark HAVANA STYLE as also identifying a style of rum, there is no evidence that consumers would not also believe, primarily, that all such rum comes from HAVANA. Thus, we conclude that HAVANA STYLE remains primarily geographic in connotation.

In further support of our conclusion that the addition of the word STYLE to HAVANA does not alter its primary significance as indicating geographic origin in connection with applicant's rum, we note the recent amendment to Section 2(a) of the Trademark Act, n4 as indicated in bold print:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it -- (a) consists of or comprises . . . a geographical indication which, when used in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after [January 1, 1995].

This amendment, contained in P.L. 103-465, implements the United States' obligations under [*6] the Agreement Establishing the World Trade Organization (WTO) and the annexed Uruguay Round agreements, which includes the Agreement on the Trade Related Aspects of Intellectual Property (TRIPs). Of relevance to us in this case, is Article 23 of Section 3 [Geographical Indications] n5 of the TRIPs Agreement, which states, in pertinent part, as follows:

Each Member shall provide the legal means for interested parties to prevent use of a geographical indication . . . identifying spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind," "type," "style," "imitation" or the like.

This prohibition, required by the TRIPs Agreement and implemented by the amendment to Section 2(a) of the Trademark Act of P.L. 103-465, is an absolute prohibition against the registration, in connection with wines or spirits, of a mark that includes a geographical indication if the wines or spirits do not originate in that geographic area. n6 Further, the language of Section 23 of the TRIPs Agreement makes it clear [*7] that the addition of certain terms, in particular STYLE, does not alter the primary geographic significance of the geographic indication. While the refusal to register in the case before us is under Section 2(e) (3), rather than Section 2(a), the question of the geographic connotation of the mark is the same under both sections. Thus, we believe these amendments to Section 2(a) and the reasons therefor are very relevant to our consideration herein of the connotation of HAVANA STYLE as primarily geographic. n7

n4 Public Law 103-465, § 522, 108 Stat. 4982, the Uruguay Round Agreement Act, signed into law on December 8, 1994, and effective January 1, 1996.

n5 Geographical indications are defined in TRIPs Article 22(1) as "indications

which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin."

n6 See, Senate Report No. 103-412, Joint Report of the Committee on Finance, Committee on Agriculture, Nutrition, and Forestry, Committee on Governmental Affairs of the United States Senate to Accompany S. 2476, Uruguay Round Agreements Act, p. 226, which states: "TRIPS requires WTO member countries to refuse or invalidate a registration of any trademark consisting of a geographic indication identifying wines or spirits not originating in the place indicated. Section 522 of the bill amends section 2 of the Trademark Act to provide that marks for wines or spirits are not registerable to the extent they include a geographical indication if in fact, the wines or spirits do not originate in that geographic area." [*8]

n7 We do not consider herein the propriety of a refusal to register in this case under Section 2(a). However, while this intent-to-use application was filed and examined prior to the effective date of the noted amendments to Section 2(a), if applicant was to submit an amendment to allege use or a statement of use indicating that use of the mark commenced subsequent to January 1, 1995, it would be appropriate for the Examining Attorney to consider whether to refuse registration under the provisions of Section 2(a) as amended by P.L. 103-465.

Decision: The refusal under Section 2(e) (3) of the Act is affirmed.

ANNEX B



1999 WL 546830 (Trademark Tr. & App. Bd.)
(Cite as: 1999 WL 546830 (Trademark Tr. & App. Bd.))

*1 THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board
Patent and Trademark Office (P.T.O.)

IN RE COMPANIA TABACALERA SANTIAGUENSE, S.A.
Serial No. 74/719,339
July 21, 1999

Stewart J. Bellus of Collard & Roe, P.C. for Compania Tabacalera
Santiaguense, S.A.

David C. Reihner

Trademark Examining Attorney

Law Office 107

(Thomas Lamone, Managing Attorney).

Before Sams, Simms and Wendel

Administrative Trademark Judges.

Opinion by Wendel

Administrative Trademark Judge:

Compania Tabacalera Santiaguense, S.A. (a corporation of the Dominican Republic) has filed an application to register the mark LA HABANERA for cigars. [FN1]

Registration has been finally refused on the grounds that the mark is primarily geographically deceptively misdescriptive under Section 2(e)(3) and geographically deceptive under Section 2(a). Applicant and the Examining Attorney have filed briefs, but an oral hearing was not requested.

The determination of whether a mark is primarily geographically deceptively misdescriptive under Section 2(e)(3) requires analysis under the following two-prong test:

(1) whether the primary significance of the mark as it is used is a generally known geographic place; and

(2) whether the public would make a goods/place association, i.e., believe the goods for which the mark is sought to be registered originate in that place.

Institut National des Appellations D'Origine v. Vintners International Co., Inc., 958 F.2d 1574, 22 USPQ2d 1190, 1195 (Fed. Cir. 1992), citing In re Societe Generale des Eaux Minerales de Vittel, S.A., 824 F.2d 957, 3 USPQ2d 1450 (Fed. Cir. 1987); In re Loew's Theatres, Inc., 769 F.2d 764, 226 USPQ 865 (Fed. Cir. 1985); In re Nantucket, Inc., 677 F.2d 95, 213 USPQ 889 (CCPA 1982); In re Bacardi & Co., 48 USPQ2d 1031 (TTAB 1997). In order for a mark to be geographically deceptive under Section 2(a), it must be shown that the mark is primarily geographically deceptively misdescriptive under Section 2(e)(3) and additionally that the geographic misrepresentation is material to the decision of the purchaser to buy the goods bearing this mark. Institut National v.



1999 WL 546830 (Trademark Tr. & App. Bd.)
(Cite as: 1999 WL 546830 (Trademark Tr. & App. Bd.))

Vintners International, supra; In re Juleigh Jeans Sportswear Inc., 24 USPQ2d 1694 (TTAB 1992). [FN2]

Here the major issues arise under the first prong of the test. Applicant has set forth in its application the statement that "La Habanera" is the name of a Cuban dance and maintains that this is the meaning or primary significance of its mark. The Examining Attorney, on the other hand, has introduced definitions from Spanish-English dictionaries of the term "habanera" as meaning "of Havana" or "native of Havana." On this basis, the Examining Attorney argues that the primary significance of LA HABANERA, as used by applicant, is as a reference to something that originates from Havana.

Looking to the dictionary definitions of record, we see that the definition that has been submitted by applicant from an English language dictionary for "habanera" is:

***2** 1. A Cuban dance in slow duple time 2. the music for the habanera. Webster's Ninth New Collegiate Dictionary [FN3]

The definitions relied upon by the Examining Attorney, as found in Spanish-English dictionaries, are:

habanero/a 1. adj., of or from Havana 2. nm/f., native or inhabitant of Havana. Collins Spanish-English, English-Spanish Dictionary (1993)

habanero, -ra, a., n.m.f. (native) of Havana Cassell's Spanish-English, English-Spanish Dictionary (1978).

In each of the latter dictionaries, there is also a listing for "habanera," without any translation, as a musical term.

Applicant makes two arguments with respect to the meaning of its mark LA HABANERA. First, applicant insists that the mark should not be translated at all, since it is a recognized word in the English language. To demonstrate this recognition of the term "habanera" in its musical sense in the English language, applicant has made of record various Internet excerpts and copies of programs and brochures showing use of the term to refer to either the dance form or music for the dance. Second, applicant argues that, even if the mark is translated, it refers to a female person from Havana, not an object from this location. Applicant argues that the addition of the article "La" requires that the mark be considered as a noun, and not as an adjective, as would be the appropriate form, if descriptive of the geographic origin of goods.

We do not agree with applicant's initial argument that the mark should not be translated at all, but taken solely for its meaning in the English language. While "habanera" may be recognized as a musical term in the English language by some purchasers of cigars, we believe that most would be likely to view applicant's mark as a Spanish term. Thus, the translations must be taken into consideration. In doing so, we simply are following the well established rule that no distinction will be made between an English term and its foreign equivalent, so that if the translation of LA HABANERA is geographically descriptive, the mark is equally so, even though the Spanish term may not be readily known to the United States public. See In re Atavio Inc., 25 USPQ2d 1360 (TTAB 1992) and the cases cited therein.

Furthermore, and as pointed out by the Examining Attorney, we must determine the most appropriate or relevant meaning for LA HABANERA as applied to applicant's goods, namely, cigars. See In re Jack's Hi-Grade Foods, Inc., 226 USPQ 1028 (TTAB 1985) [while term "Neapolitan" has



1999 WL 546830 (Trademark Tr. & App. Bd.)
(Cite as: 1999 WL 546830 (Trademark Tr. & App. Bd.))

several dictionary definitions, only its meaning as a geographic term is logical when used in connection with sausage]. Although in Spanish "habanera" is also the name given to a Cuban dance, we do not believe most purchasers of applicant's goods would be likely to make any association between a Cuban dance and cigars. On the other hand, even when strictly translated from the Spanish language, and with attention being given to the presence of the article "La", applicant's mark refers to a female inhabitant of Havana or a female Havanan. Given this meaning, we believe that the mark possesses a geographic connotation, just as the term "the American," even when used as a noun, has a geographic connotation. Although the reference is gender specific in Spanish, whereas in English "the American" could be either masculine or feminine, the geographic significance is not lost. In view of the well-known association of cigars with Havana, we find that the reference to geographic origin would be the most logical interpretation of LA HABANERA, as used on applicant's goods. Even if potential purchasers were not familiar with Spanish, we find it highly likely that at least a general connection would be made between the mark LA HABANERA and the geographic location Havana. We find no need to take the further step of determining the propriety of translating applicant's mark in the adjectival form advanced by the Examining Attorney, namely, "of or from Havana."

*3 Insofar as the second prong of the test is concerned, applicant has conceded that there is a goods/place association between Havana and cigars. (Brief, p.2). Thus, it is not necessary for us to review the evidence submitted by the Examining Attorney to establish this relationship. Nor must we consider any effect that the U. S. trade embargo with Cuba might have on the availability of cigars from Havana, this issue not having been raised by applicant. For a general discussion of this matter, see *In re Bacardi & Co., Ltd.*, supra at 1035-37.

Accordingly, since applicant is a corporation of the Dominican Republic and has made no contention that its cigars originate from other than the Dominican Republic, we find the mark LA HABANERA primarily geographically deceptively misdescriptive of applicant's goods. Likewise, since applicant has failed to contest the refusal under Section 2(a) on any other basis than the primary significance of its mark, we find the mark geographically deceptive under Section 2(a).

Applicant has raised the additional argument that there is a viable presumption that its mark is registrable, because of the issuance of a prior registration to applicant for the same mark and the same goods in 1984, [FN4] which registration was inadvertently allowed to lapse for failure to file a Section 8 affidavit. Applicant points out that the statement made in that registration that "La Habanera refers to a Cuban dance or a female person" was accepted by the Office and the registration was allowed to issue.

Once a registration has been cancelled under the provisions of Section 8 of the Trademark Act, however, it cannot serve as evidence of any existing rights in the mark. In re Grey Hosiery Mills, 137 USPQ 455 (TTAB 1963). The decision of a prior Examining Attorney to register the mark in 1984, based on a record which is not before us, can have no bearing upon our present determination. By failing to timely file a Section 8 affidavit, applicant has opened up its mark to reexamination under present standards.



1999 WL 546830 (Trademark Tr. & App. Bd.)
(Cite as: 1999 WL 546830 (Trademark Tr. & App. Bd.))

Decision: The refusals to register under Section 2(e)(3) and 2(a) are affirmed.

J. D. Sams

R. L. Simms

H. R. Wendel

Trademark Administrative Judges, Trademark Trial and Appeal Board

FN1. Serial No. 74/719,339, filed August 23, 1995, claiming a date of first use of April 21, 1922 and a date of first use in commerce of October 9, 1980. The statement is set forth in the application that "La Habanera is a Cuban dance."

FN2. Section 2 of the Trademark Act was amended by Public Law 103-183, 107 Stat. 2057, The North American Free Trade Enactment Act, effective for applications filed on or after December 8, 1993. As a result, the prohibition against registration on the basis of being primarily geographically deceptively misdescriptive was moved from Section 2(e)(2) to Section 2(e)(3) and the availability of Section 2(f) for marks of this nature was eliminated. Thus, the major distinction between being refused registration as primarily geographically deceptively misdescriptive and geographically deceptive under Section 2(a) no longer exists, in that registration under the provisions of Section 2(f) is not an option in either case.

FN3. The definitions in The Random House Dictionary (2d ed.) are nearly identical.

FN4. Reg, No, 1,297,961, issued Sept., 25, 1984, cancelled under Section 8 Feb. 12, 1991.

1999 WL 546830 (Trademark Tr. & App. Bd.)

END OF DOCUMENT